



CORPORATE SOCIAL RESPONSIBILITY (CSR) STRENGTHS IN MALAYSIAN AND CAMBODIAN PORTS

By Melissa Pizaña-Cruz and Amelia Jindi



Implemented by:



EXECUTIVE SUMMARY

This study presents the Corporate Social Responsibility (CSR) strengths identified in participating Malaysian and Cambodian Ports. These strengths serve as mutual learning areas from which each country's ports can consider incorporating into their existing CSR practices.

CSR is often perceived as consisting only of monetary donations to orphanages or carrying out tree-planting activities. A key observation from the research team throughout this exercise was that the ports are doing much more in the realm of CSR than what they perceive.

Utilising the seven (7) core subjects of CSR in the ISO 26000 Guidance for Social Responsibility, the research team identified existing practices in the ports which were not previously viewed as CSR activities but meets the definition of being socially responsible according to ISO 26000.

Five (5) ports from Cambodia and Malaysia were included in this study, namely:

1. Phnom Penh Autonomous Port
2. Sihanoukville Autonomous Port
3. Port of Tanjung Pelepas
4. Johor Port Berhad
5. Sepangar Bay Container Port.

Based on the information collated through the interviews, port walkabouts and desktop studies undertaken, the research team decided to highlight key CSR practices or CSR strengths that were evident in the Cambodian and Malaysian Ports, as follows:

Cambodian Ports	<ul style="list-style-type: none"> • The top management in Cambodian ports have made it clear that they are well aware of their social responsibilities to their community. This is evident through their awareness of their significant roles in the social development of their community through the creation of jobs, and the inclusion of "poverty alleviation" particularly mentioned as part of their mission, as well as the various initiatives and infrastructure projects they have towards the community. These initiatives have also spurred good relations with the local government in their areas of operation • Labour practices is also strong in Cambodian ports through its opportunities for women to achieve high positions in the organization (Deputy Director); the provision of decent conditions of work (wages, hours of work, weekly rest, holidays); and health and safety at work through their implementation of PSHEMS. • Cambodian ports are also particularly open to assisting in combatting HIV/AIDS and other diseases through their cooperation in the GIZ study on "Assessing the Needs for a Combined Tuberculosis and HIV Prevention and Information Campaign". • Global partnerships are also strongly supported in the ports as evidenced by their openness and collaboration with international aid organizations such as JICA, GIZ, and other international organizations, and the encouragement for active participation and capacity building of their employees in the activities of these partnerships. • The social responsibility practices of the Cambodian ports contribute
------------------------	--

to many of the Millennium Development Goals (MDG) of the United Nations, particularly: eradicate extreme poverty and hunger; achieve universal primary education; promote gender equality and empower women; combatting of HIV/AIDS and other diseases; developing a global partnership.

- Malaysian Ports**
- The participating ports in Malaysia have established a mission, vision and/ or a set of core values that are used to communicate to its stakeholders that they are committed to improving its people and also to sustainable development.
 - Most of the CSR programmes in the participating Malaysian ports focus on public involvement, development and education which is evidenced through the inclusion of the surrounding community in activities like blood donation drives or tree-planting activities organised by the port as well as monetary contribution to educational programs for vulnerable groups i.e. local indigenous people.
 - Environmental conservation and awareness among the port personnel and the public is also key to Malaysian ports as significant human and monetary resources are generally allocated to these areas of CSR activities.
 - Safety, health and environment (SHE) is a priority to Malaysian Ports and is practiced to a varying degree i.e. the establishment of a safety and health policy or being triple-certified with the ISO 9001, ISO 14001 and OHSAS 18001.
 - All the participating ports in Malaysia have established, implemented and communicated a whistleblower policy as a tool to combat corruption. This also includes setting up a mechanism for reporting anonymously and also to monitor if the report has been addressed or not.
-

After identifying the social responsibility practices available in each of the ports, suggestions for next steps are also provided which will guide the ports towards a more holistic CSR practice. The next steps or recommendations are categorised according to General Recommendations which are applicable to both countries and Country-specific Recommendations, which are essentially the strengths of each country ports that the other country can learn from.

There are four (4) General Recommendations for the ports to consider:

- | | |
|---------------------------|---|
| Recommendation #1: | Conduct a Stakeholder Analysis: |
| Recommendation #2: | Set CSR Priorities: |
| Recommendation #3: | Establishment of Socially Responsible Policies |
| Recommendation #4: | Creation of Strategies, Objectives and Targets towards Social Responsibility |

One of the objectives of this study is to “Identify areas of mutual learning between the Malaysian and Cambodian ports in the area of CSR” and in essence generates the “mutual dividends” of a

South-South cooperation. Below are specific recommendations on what the different country ports may learn from one another.

Cambodian Port Recommendations	Malaysian Port Recommendations
<ul style="list-style-type: none"> • Identification of core values and principles – Cambodian ports may want to capture through core value statements the various initiatives for social responsibility, and for the organization that they are already effecting. • Identify and carry out initiatives which focus on the protection of the environment, biodiversity and restoration of the natural habitat – While infrastructure projects remain the strength of Cambodian ports, it would be beneficial to add initiatives towards the protection of the environment of their surrounding communities. This may be in cooperation with other agencies or local universities. • Establish a whistle-blower policy – The Cambodian ports may wish to consider the feasibility of establishing a whistle blower policy as a deterrent to corruption practices, where individuals may report any corrupt practices they see or observe in the port • Establish a mechanism for consumer complaints – Consumer complaints can make or break an organization and it will be prudent for the Cambodian ports to establish a mechanism for consumers to direct any complaints to the ports and for the port to be able to resolve disputes with its customers in a timely and socially responsible manner. 	<ul style="list-style-type: none"> • Integration of social responsibility into their vision and mission statements – Organizational governance and leadership initiatives are fundamental in the integration of social responsibility for an organization. These leadership initiatives towards social responsibility are best seen in the incorporation of socially responsible intentions in the organization's vision and mission statements. • Identification of the aspects and impacts of its decisions and activities on the surrounding environment, as well as the identification of the sources of pollution and waste related to its activities – It would be beneficial for the Malaysian ports to identify and monitor their organization's impact on the surrounding environment, e.g. conduct air emission inventories, water use monitoring, energy consumption and monitoring, so they may be able to identify next steps in the mitigation of the port's impact on the environment. For the port organizations already practicing and monitoring their environmental impacts, creating programs and activities and awareness programmes for the mitigation of these impacts may be implemented for the port. • Raise awareness about health threats and major diseases and their prevention, such as HIV/AIDS, cancer, heart disease, malaria, tuberculosis and obesity – This may be done through participation in studies, or information campaigns for the community, or partnership with local universities regarding HIV/AIDS and other dreaded diseases. • Cultivate programs that encourage community involvement and development with regard to social investment – The ports, as significant members of the

community, may take into account collaborating with the local government in their area regarding various means of social investment for their respective communities, in consideration and as contribution towards the UN Millennium Development Goals.

In conclusion, the output of this study shows that the Triangular Cooperation as a complementary strategy for development is not only possible, but beneficial for all stakeholders concerned. This is due to the fact that GIZ provides a stable vertical axis of the traditional donor-recipient relationship with both Malaysia and Cambodia. In addition, it has also enabled the Malaysian Ports and Cambodian Ports to form their horizontal axis for mutual learning with regard to CSR in ports. The mutual learning stems from differences in size, organizational structures, and culture. Through these differences, the Cambodian and Malaysian ports have their separate strengths, and a variety of opportunities for shared learning.

TABLE OF CONTENTS

1.	Introduction	10
1.1	Overview of the project study	10
1.2	About the Triangular Cooperation	11
1.3	Study Design and Methodology	13
i.	Objectives of the Study	13
ii.	Study Challenges	14
1.4	Overview of Corporate Social Responsibility and ISO 26000	14
2.	Cambodian Ports	19
2.1	Overview of the Cambodian Port Sector	20
i.	Cambodia and the Cross-Border Transport Agreement.....	21
ii.	The “Treaty on Waterway Transportation” between Cambodia and Vietnam	22
iii.	The Cambodian Government’s Policy for the Maritime and Port Sector	23
iv.	Phnom Penh	23
v.	Sihanoukville.....	25
2.2	Phnom Penh Autonomous Port	26
i.	Port Facilities	27
ii.	Phnom Penh Autonomous Port’s Social Responsibility Initiatives	28
2.3	Sihanoukville Autonomous Port	36
i.	Port Facilities	37
ii.	Sihanoukville Autonomous Port’s Social Responsibility Initiatives.....	38
2.4	Highlights of CSR Strengths for Cambodia.....	45
3.	Malaysian Ports	46
3.1	Overview of the Malaysian Port Sector.....	46
i.	Federal Ports.....	46
ii.	State Ports	47
iii.	The Government’s Policy for the Port Sector	47
iv.	Major Developments in the Malaysian Port Sector	48
v.	Johor.....	48
vi.	Sabah.....	49
3.2	Johor Port Berhad	50
i.	Port Facilities	50
ii.	Johor Port’s Social Responsibility Initiatives.....	51

3.3	Port of Tanjung Pelepas (PTP).....	56
i.	Port Facilities	56
ii.	Port of Tanjung Pelepas' Social Responsibility Initiatives	57
3.4	Sabah Ports Sdn. Bhd. (SPSB).....	61
i.	SBCP Facilities	62
3.5	Johor and Sabah Port Authorities	67
i.	Johor Port Authority (JPA)	67
ii.	Sabah Ports Authority (SPA)	69
3.6	Highlights of CSR Strengths for Malaysia	71
4.	Recommendations.....	72
4.1	General.....	72
4.2	Country-specific Recommendations	73
i.	Cambodian Port Recommendations	73
ii.	Malaysian Port Recommendations	74
5.	Conclusion.....	75
	Annex 1: List of Attendees	76
	Annex 2: Examples of Cross-sectoral Initiatives.....	77
	Annex 3: Section 3 of the ILO Philadelphia Declaration	78
	Annex 4: Ratifications for Cambodia	79
	Annex 5: Aid Programs to Cambodia by Norwegian Individuals (2010-2013)	80
	Annex 6: ISO 26000 Schematic Diagram.....	83
	Annex 7: Photos from various ports pertaining to the CSR initiatives undertaken	84
	Annex 8: Extracts from ILO C089 – Night Work (Women) Convention (Revised), 1948 (No. 89)	85
	Annex 9: List of Documents and Experts Requested for Port Interviews.....	86
	Annex 10: Sample CSR Study Questionnaire	87
	Annex 11: Setting CSR Priorities.....	88
	Annex 12: Stakeholder Analysis Tool.....	92

ABBREVIATIONS

AIDS/ HIV	Acquired immunodeficiency syndrome/ Human immunodeficiency virus
BIMP-EAGA	Brunei-Indonesia-Malaysia-Philippines-East ASEAN Growth Area
ASEAN	Association of the South East Asian Nations
CBTA	Cross-Border Transport Agreement
CHE	Cargo Handling Equipment
CLMV	Cambodia-Lao PDR-Myanmar-Vietnam
CMDG	Cambodian Millennium Development Goals
CO	Carbon monoxide
CSR	Corporate Social Responsibility
DAC	Development Assistance Committee
EIA	Environmental Impact Assessment
E-RTGs	Electric Rubber-Tired Gantry
FTZ	Free Trade Zone
FWT	Freight Weight Tonnes
GDP	Gross Domestic Product
KLSE	Kuala Lumpur Stock Exchange
IAI	Initiative for ASEAN Integration
ILO	International Labour Organization
IMDG	International Maritime Dangerous Goods
IMO	International Maritime Organization
ISO	International Organization for Standardization
ISPS	International Ship and Port Facility Security
ISR	Initial Status Review
IWAY	IKEA Way
JICA	Japanese International Co-operation Agency
JPA	Johor Port Authority
JPB	Johor Port Berhad

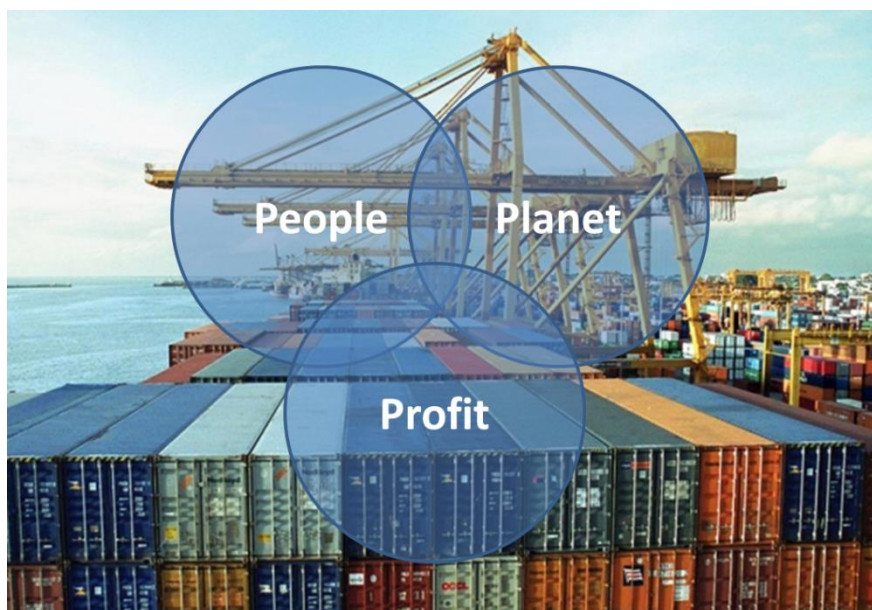
MDG	Millennium Development Goals
NGO	Non-governmental Organization
NOx	Nitrogen Oxides
NSDP	National Strategic Development Plan
ODA	Official Development Assistance
OGV	Ocean-going Vessels
OSH	Occupational Safety and Health
OSHMS	Occupational Safety and Health Management System
PAS	Sihanoukville Autonomous Port
PEMSEA	Partnerships in Environmental Management for the Seas of East Asia
PPAP	Phnom Penh Autonomous Port
PPE	Personal Protective Equipment
PSHEMS	Port Safety Health and Environment Management System
PTP	Port of Tanjung Pelepas
SBCP	Sapangar Bay Container Port
SHE	Safety Health Environment
SPA	Sabah Port Authority
SPD	Sustainable Port Development
SPSB	Sabah Port Sendirian Berhad
TEU	Twenty-foot Equivalent Units
UMS	University Malaysia Sabah
UN	United Nations

1. Introduction

1.1 Overview of the project study

The study on “CSR Strengths in Malaysian and Cambodian Ports” was commissioned by the Malaysian–German Triangular Cooperation Programme under the project “Training for Sustainable Development in the Port Sector and Corporate Social Responsibility in the Port Sector”.

The programme believes that the concept of social responsibility must stem from the organization itself in their willingness to be accountable for their actions and identify the impacts of its organization’s activities not only on their profit, but on people, and the planet. What this suggests is a transparency of its actions and ethical engagements that contribute to



sustainable growth of the port.

This study takes an inside look at selected port organizations in Malaysia and Cambodia, taking into account the differences in size, organizational structure, business model, and culture.

Port organizations in particular have far reaching impacts beyond the borders of their administrations. As the traffic in the ports in the Association of the South East Asian Nations (ASEAN) region is continuing to grow port authorities and operators start to be concerned about the impact of their activities on the environment and nearby communities. This is the reason why social responsibility in ports is of utmost importance. Their decisions, actions, and engagement affect not only the port itself, but by virtue of its purpose and business model, affect

the world beyond its organization. A sustainable port contributes in large part to a sustainable community.

1.2 About the Triangular Cooperation

As more and more emerging countries graduate as recipients of development aid, there are new coalitions occurring in international development cooperation. This new kind of cooperation is of major importance for both, the traditional donors as well as emerging economies, since global challenges in a multipolar world can only be tackled through cooperation with each other. The uniqueness of triangular cooperation emerges through the combination of expert knowledge of both the traditional and the emerging economies, which is especially beneficial for recipient countries.

Germany and Malaysia are strategic partners, who share a common understanding of sustainable development, and they have embarked on their pilot triangular cooperation project in Cambodia, with plans to engage with Timor-Leste and Myanmar in the future. The triangular cooperation is implemented when the complementary capacities of Germany and Malaysia emerge as an added value for the third countries. In addition, Malaysian and German executing organisations equally benefit from the sharing of experience and best practices.

Definition

Triangular cooperation is one of the most recent instruments in international development and is considered as a modality that establishes equality among partners and paves the way towards cooperation on equivalent terms¹.

The formal definition of a triangular cooperation is a “partnership between DAC²³ donors and providers of South-South cooperation⁴ to implement development cooperation projects in beneficiary countries”.⁵ This can be understood with the following diagram⁶:

¹ Langendorf, J. (2012). *Triangular cooperation: A guideline for working in practice*. Baden-Baden, Germany: Nomos.

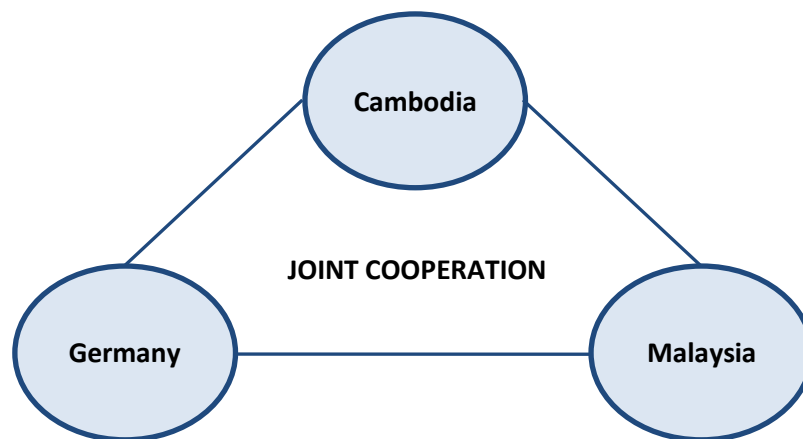
² The Development Assistance Committee is composed of countries who are assessed in terms of the following criteria: the existence of appropriate strategies, policies and institutional frameworks that ensure capacity to deliver a development co-operation programme; an accepted measure of effort; and the existence of a system of performance monitoring and evaluation.

³ *Development Co-operation Directorate (DCD-DAC) - Organisation for Economic Co-operation and Development*. (n.d.). Retrieved July 28, 2013, from <http://www.oecd.org/dac/dacmembers.htm>

⁴ *United Nations Office for South-South Cooperation - What is SSC?* (n.d.). Retrieved July 28, 2013, from http://ssc.undp.org/content/ssc/about/what_is_ssc.html

⁵ Langendorf, J. (2012). Chapter 1: Triangular cooperation as a complementary strategy for development. In *Triangular cooperation: A guideline for working in practice*. Baden-Baden, Germany: Nomos.

⁶ Drafted accordingly to: Langendorf, J. (2012). Chapter 3: Initiation of triangular cooperation. In *Triangular cooperation: A guideline for working in practice*. Baden-Baden, Germany: Nomos.



Triangular Cooperation in practice

The aim of this triangular cooperation project between Germany, Malaysia and Cambodia is to strengthen the capacities of Cambodian ports to develop a culture and policy with increased responsibility towards social, ecological and safety aspects. Using the complementary strengths of both partners provides innovative concepts of CSR in ports in Cambodia.

These complementary strengths of Germany and Malaysia are firmly interwoven to cover the demands of Cambodia. Professional training organisations of Malaysia provide vast experience in the development of concepts to solve the challenges, which they have faced not long ago. These experiences are very valuable to Cambodia. Combined with the technical experience from Germany, which has developed comprehensive instruments focused on sustainability and effectiveness, this creates measurable value added for Cambodia. In this project case on CSR in the port sector this means specifically that Germany provides longstanding experience in implementing and developing CSR in economic sectors which can be interwoven with the recent regional experience of Malaysia in Southeast Asia.

Malaysia's knowledge on CSR has increased in due part to a requirement from the Securities Commission for companies listed on the Kuala Lumpur Stock Exchange (KLSE) to report their CSR activities in their annual report or in a stand-alone CSR report and also via demand from customers during the privatization of ports. Malaysia can serve as regional orientation for Cambodia, which is also part of striving towards narrowing the development gap under the Initiative for ASEAN Integration (IAI)⁷. Bolster and Brimble highlighted in their C-BIRD Study, that a participatory approach, which concentrates on the demands of the local people, is necessary to fit their needs. Therefore Malaysia has the ability to empathize with Cambodia and

⁷Initiative for ASEAN Integration (IAI) Strategic Framework and IAI Work Plan 2 (2009-2015)

the needs of the country⁸. Furthermore, South-South knowledge exchange is strengthened and improves mutual learning between all three partners involved.

Germany as a traditional donor has longstanding working relations in development cooperation in both Malaysia and Cambodia. While Cambodia as a CLMV country is still ODA eligible, Malaysia has graduated from German ODA. However, through triangular cooperation, the trustful working relations between Germany and Malaysia have been extended and now both countries tackle development challenges in ASEAN together.

Cooperation for greater impact

The project works in close collaboration with the GIZ Sustainable Port Development in the ASEAN Region (SPD) Project, who have aligned and harmonized their efforts with the Malaysian-German Triangular Cooperation for this project. Furthermore the triangular cooperation increases impacts while avoiding double measures and ensuring close coordination as well as an exchange of experiences and knowledge. The CSR concept within the scope of the triangular cooperation in the ports of Cambodia represents a long-range process, which aims at the implementation of social and sustainable proceeding in the ports economy. This study constitutes therefore either a short-term or a preliminary measure but rather a part of this long-term process towards change.

1.3 Study Design and Methodology

The case study research design was used for this study, where guided interviews using a CSR questionnaire based on the International Organization for Standardization (ISO) 26000 Guideline on Social Responsibility which provides guidance on the integration of social responsibility into management processes, developed by the researchers, provided the framework for the interviews.

Primary data on the Initial Status Reviews (ISRs) previously undertaken by the GIZ Sustainable Port Development in the ASEAN Region were also used as background data on the selected ports, when available, as well as the Air Emission Inventories for Ports commissioned by GIZ. Document reviews and port walk-throughs were also conducted, and extensive desktop studies were carried out.

The port selection process of the ports in Malaysia and Cambodia was done through the nomination by the port authority of the respective countries, or by recommendation of the Sustainable Port Development in the ASEAN project, with the agreement of the ports to participate in the study.

i. Objectives of the Study

The objectives of the study are to:

⁸ Bolster, P./Brimble, P. (2008): Cambodia: Corporate Social Responsibility and the Cambodia Business Initiative in Rural Development (C-BIRD), in: The social and ecological market economy: a model for Asian development? P.287-299. Eschborn, Germany, GTZ.

- a. Research the existing strengths of CSR in the ports of Malaysia and Cambodia using the ISO 26000 Guideline on Social Responsibility as the baseline, as well as inputs from the UN Global Compact and the Global Reporting Initiatives, and provide these as cases for consideration for the other ports in the ASEAN Region.
- b. Identify areas of mutual learning between the Malaysian and Cambodian ports in the area of CSR.
- c. Identify areas of recommendation where gaps exist between the CSR practices identified and the Guideline for Social Responsibility of the ISO.

ii. Study Challenges

As the case study research design was used in the development of this report, the researchers have made all attempts to ensure that the study conducted at the ports be as fair and as equal as possible in terms of the requested personnel to be interviewed, requested data, and the time spent in each port (**Annex 9: List of Documents and Experts**).

As with any case study research, the findings in this study is guided by the personnel that were selected at each port to attend the interview sessions, as well as the data presented, and the amount of public information available. Also, the same amount of port visit time was allocated for each port, regardless of size of the port, which has also influenced the information obtained for the purpose of the study.

1.4 Overview of Corporate Social Responsibility and ISO 26000

Corporate Social Responsibility (CSR) has become a buzzword particularly in 21st century organizations. Although there is no single definition for CSR, the aim of the concept is to encourage corporate organizations to align their business objectives with the triple-bottom-line of Social, Economic, and Environmental stewardship.

For the context of this study, we rely on the International Organization for Standardization (ISO) 26000 Guidance on Social Responsibility's definition of CSR⁹:

Social Responsibility is the responsibility of an organization for the impacts of its decisions and activities on society and the environment, through transparent and ethical behaviour that:

- *Contributes to sustainable development, including health and welfare of society;*
- *Takes into account the expectations of stakeholders;*
- *Is in compliance with applicable law and consistent with international norms of behaviour; and*
- *Is integrated throughout the organization and is practised in its relationships.*

The ISO 26000 has seven core subjects, namely:

1. Organizational Governance

⁹ ISO (2010). *Guidance on Social Responsibility - ISO 26000:2010*. Switzerland: ISO copyright office

2. Human Rights
3. Labour Practices
4. The Environment
5. Fair Operating Practices
6. Consumer Issues
7. Community Involvement and Development

The overarching area for all seven core subjects is Organizational Governance. These core subjects are consistent with other recognized voluntary tools and initiatives for corporate social responsibility, including intergovernmental, multi-stakeholder, single-stakeholder, and various sectoral initiatives, including the UN Global Compact and the Global Reporting Initiative. A comprehensive comparison of the existing voluntary initiatives and tools for social responsibility and the ISO 26000 is in **Annex 2**.

The findings of the study are arranged according to the social responsibility issues as it appears in the ISO 26000. A brief description of each of the core subjects in ISO 26000 is presented below.

Organizational Governance

The most important factor in most endeavors of an organization, including social responsibility, is organizational governance. It is through the organization's leadership that social responsibility can be integrated throughout an organization.

Organizational governance in social responsibility is not only a core subject but has an overarching role over all the other elements. It is through this core subject that the principles of social responsibility are incorporated into the decisions and actions of the port organization itself. The key principles are accountability, transparency, ethical behaviour, respect for stakeholder interests, respect for the rule of law, respect for international norms of behaviour and respect for human rights.

Human Rights

As a result of experiences during the Second World War, the Universal Declaration of Human Rights was adopted by the UN General Assembly on 10 December 1948. This declaration was the result of a vow of the international community never to allow act of violence like those experienced during the Second World War to happen again¹⁰.

For the longest time, the issue of Human Rights has been relegated to those of governments, however, many human rights violations happen outside of the watchful eye of those in charge and for a port organization to be truly socially responsible, it must make measures to ensure that within their walls, and their areas of responsibility, human rights violations do not happen.

Labour Practices

¹⁰ *The Universal Declaration of Human Rights*. (n.d.). Retrieved July 20, 2013, from <http://www.un.org/en/documents/udhr/history.shtml>

The issue with regard to labour practices is for port organizations to practice this with social responsibility in mind. The ILO 1944 Declaration of Philadelphia states:

- (a) labour is not a commodity;
- (b) freedom of expression and of association are essential to sustained progress;
- (c) poverty anywhere constitutes a danger to prosperity everywhere;
- (d) the war against want requires to be carried on with unrelenting vigour within each nation, and by continuous and concerted international effort in which the representatives of workers and employers, enjoying equal status with those of Governments, join with them in free discussion and democratic decision with a view to the promotion of the common welfare¹¹.

The above core values must be practiced within socially responsible organizations, and basically stresses the right of everyone to earn a living by their chosen work, and the right to just and favourable conditions of work. The above declaration forms a realization for port organizations that in helping and employing port workers, they are abetting the worldwide battle against poverty and is aiding the sustained progress of their nation. **Annex 3** states the other programmes as prescribed by the ILO 1944 Declaration of Philadelphia.

The Environment

An integral part of social responsibility of a port organization is its commitment to environmental protection. This is seen not only in its external initiatives and advocacies, but in the way that it addresses its own patterns of operations. Port organizations must realize the ripple effect of the environmental impact of its activities within the port, and must take care to address the sustainability of the environment inside, immediate surroundings, and even beyond the port's borders.

To be environmentally responsible, ports need to begin by identifying their own impact to the environment, distinguishing the criticality and developing options to address these impacts.

The adoption, respect, and promotion of the following environmental principles are considered best practice for port organizations:

Environmental responsibility - Aside from complying with national laws and regulations regarding the environment, the port must recognize responsibility for any environmental impacts it may cause particularly for the waters and the communities surrounding it. The port organization must aim to improve its internal environmental performance and influence the communities within its sphere of influence.

Precautionary Approach – The precautionary approach to the environment is an alliteration of the phrase “first, do no harm”. As port organizations go about their activities, if there is a possibility of environmental stress or impact, even without full scientific evidence, options and measures must be taken to prevent potential environmental degradation and damage to human health.

¹¹ *Resolutions Adopted by the Twenty-sixth Session of the International Labour Conference*. (1944, April-May). Retrieved from [http://www.ilo.org/public/libdoc/ilo/P/09734/09734\(1944-26\).pdf](http://www.ilo.org/public/libdoc/ilo/P/09734/09734(1944-26).pdf)

Environmental Risk Management – As part of best practice, port organizations should implement programmes using a risk- based and sustainability perspective to assess, avoid, reduce and mitigate environmental risks and impacts from its activities.

Polluter Pays - Should there be any pollution internally and to the surrounding communities caused by the activities of the port, the port must endeavour to bear the cost of the damage and any remedial action required.

Most organizations are now attempting a variety of environmental initiatives for the community and within their own establishments. It has been observed that these environmental initiatives in the context of corporate social responsibility tend to veer towards external programs like planting trees and mangroves, and coastal cleanups to name a few. While these are noble efforts and do promote employee participation, organizations need to address their own environmental issues in a comprehensive, systematic and collective way.

Fair Operating Practices

The concept of fair operating practices is the fair and ethical conduct of the port organization as it deals with other organizations and government agencies. These include partners, suppliers, contractors, cargo handling operators, customers, competitors, and other organizations that they have direct interaction with.

Fair Operating Practices is also the way in which port organizations use their relationships with other groups, both public and private, to promote anti-corruption, fair competition, and other socially responsible actions.

Consumer Issues

Consumer Issues in the context of the port organization's social responsibility is based on the UN Guidelines for Consumer Protection¹² . Based on this guideline, port organizations are encouraged to:

- Protect clients from hazards for their health and safety
- Promote and protect the economic interests of clients
- Enable clients to make informed choices
- Provide customer education, when needed
- Make available effective client redress
- Promote sustainable business patterns

Port clients are generally the shipping companies and in an indirect way, the receiving countries of the goods that have been shipped, in this regard, ports are encouraged to abide by international norms and standards with regard to shipping such as those prescribed by the

¹² A/RES/39/248. *UN Guidelines Consumer Protection*. (1985, April 16). Retrieved from <http://www.un.org/documents/ga/res/39/a39r248.htm>

International Maritime Organization (IMO)¹³, particularly the International Maritime Dangerous Goods (IMDG) Code¹⁴.

Community Involvement and Development

In general, port organizations have relationships with the communities in which they operate, and as such, ports have become an important part of the economy. Community involvement and development are fundamental areas of sustainable development; hence, a port's participation in a community is essential for sustainable development.

The social responsibility concept for community involvement and development is taken from the Millennium Development Goals or the MDGs^{15 16}. The MDGs respond to the world's main development challenges and are to be achieved by the year 2015. These are:

1. Eradicate extreme poverty and hunger
2. Achieve universal primary education
3. Promote gender equality and empower women
4. Reduce child mortality
5. Improve maternal health
6. Combat HIV/AIDS, malaria and other diseases
7. Ensure environmental sustainability
8. Develop a global partnership for development

In addressing involvement and development for their community, port organizations are encouraged to address the eight key issues identified by the MDGs to work towards the sustainability of the surrounding community.

¹³ IMO | International Maritime Organization. (n.d.). Retrieved from <http://www.imo.org/Pages/home.aspx>

¹⁴ IMO | IMDG Code. (n.d.). Retrieved from <http://www.imo.org/Publications/IMDGCode/Pages/Default.aspx>

¹⁵ United Nations Millennium Development Goals. (n.d.). Retrieved from <http://www.un.org/millenniumgoals>

¹⁶ United Nations (UN): The United Nations Millennium Declaration, General Assembly resolution 55/2 of 8 September 2000

2. Cambodian Ports

Cambodia is a country that, in recent years, has been enjoying sustained economic growth, significant reduction in poverty, and increased access to basic services. All this, and the fact that it is situated in a strategic geographical position, at the centre of the Greater Mekong Sub Region brings a promise of continued growth for the country¹⁷.

A testament to this surge in economic growth is written by Mr. Haruhiko Kuroda, President of the Asian Development Bank, “Among the many statistics that demonstrate how far Cambodia has come in only 20 years, the most powerful is the decline in poverty. In 1992, more than half of the population was living below the poverty line. Today that proportion has fallen to less than one-quarter. Cambodia’s GDP has grown from \$3 billion in 1993 to \$12.8 billion in 2011. During the same period, per capita income has risen from \$229 to \$911.”¹⁸

Cambodia is progressively moving towards becoming a middle income country. This is aided by the current national strategy called the Rectangular Strategy Phase II, which represents the Government's long-term development vision and economic policy agenda for the Fourth Legislature (2008-2013) of its National Assembly or its parliament.

Cambodia’s national development plans have, over the past 20 years, managed to integrate the three strands of sustainable development (economic, social, and environmental). The National Strategic Development Plan (NSDP 2009 to 2013 update) is the roadmap for the implementation of the Rectangular Strategy 2. The NSDP fully integrates the Cambodia Millennium Development Goals (CMDGs)¹⁹. At this stage, the Rectangular Strategy 3 and the NDSP 2014-2018 are being finalized and lay an emphasis on regional integration, trade facilitation, and infrastructure.²⁰

Under the NSDP 2009 to 2013 update, “Ports: The Royal Government of Cambodia has been implementing its “Open Sea” Strategy.” This policy of the Royal Government of Cambodia simply states that it will prepare, strengthen and establish additional state or private international ports in some potential areas; so as to promote imports and exports²¹.

¹⁷ Royal Government of Cambodia (2012.) *The Cambodian Government’s Achievements and Future Direction in Sustainable Development, National Report for Rio+20 United Nations Conference on Sustainable Development*, Rio+20 United Nations Conference on Sustainable Development 2012, Rio de Janeiro, Brazil

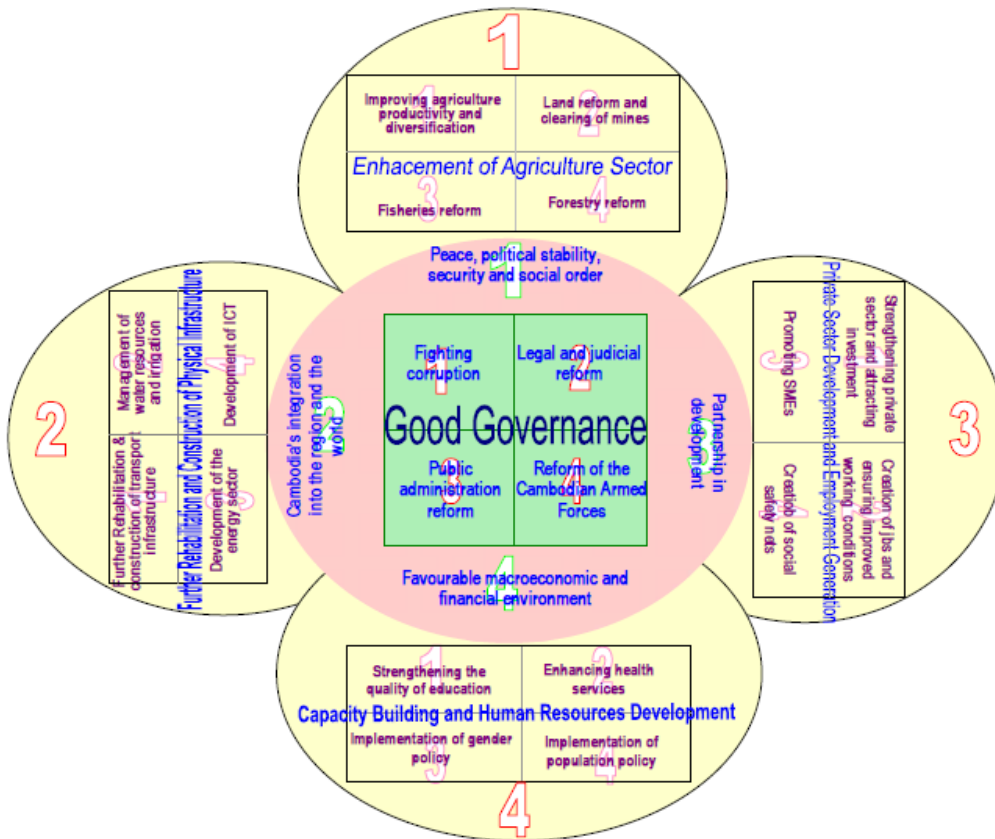
¹⁸ Asian Development Bank (2012). *The Asian Development Bank in Cambodia: From Rehabilitation to Inclusive Growth*. Phnom Penh, Cambodia

¹⁹ Kingdom of Cambodia (2012.) *The Cambodian Government’s Achievements and Future Direction in Sustainable Development, National Report for Rio+20 United Nations Conference on Sustainable Development*, Rio+20 United Nations Conference on Sustainable Development 2012, Rio de Janeiro, Brazil

²⁰ Royal Government of Cambodia - Ministry of Planning (2013). *Guidelines for formulating National Strategic Development Plan (NSDP) 2014-2018* (323)

²¹ Royal Government of Cambodia. National Strategic Development Plan Update 2009-2013, No. 151-152. Cambodia.

RECTANGULAR STRATEGY - PHASE II



22

The fact that ports in particular are mentioned into the national strategy of Cambodia means that that sector is of primary importance to the country and has great impact on its social, environmental, and economic development.

As a part of this strategy, Cambodia's international ports, both the Sihanoukville Autonomous Port and the Phnom Penh Autonomous Port, have been strengthened and expanded. The fact that, as aforementioned, Cambodia lies in a very strategic location in Southeast Asia is definitely a contributor to the continued growth of its ports and the entire country.²³

2.1 Overview of the Cambodian Port Sector

The ports of Phnom Penh and Sihanoukville have previously operated as government departments, but in 2001, both have become autonomous port authorities. They operate under the supervision of the Ministry of Public Works and Transport and the Ministry of Economy and

²² COUNCIL FOR THE DEVELOPMENT OF CAMBODIA (CDC). (n.d.). Retrieved from http://www.cdc-crdp.gov.kh/cdc/7cg_meeting/position_paper_eng2004/7cg_default.htm

²³ Royal Government of Cambodia (n.d.). *The Rectangular Strategy for Growth, Employment, Equity and Efficiency in Cambodia*. Retrieved from http://www.cdccrdp.gov.kh/cdc/aid_management/RGC_Rectangular_Strategy_2004.pdf

Finance. Both ports are directed by a Board of Directors assigned by the government. The Director General of PPAP chairs the Board consisting of representatives from the Ministry of Economy and Finance, Ministry of Commerce, Ministry of Public Works and Transport, Phnom Penh City Authority and one representative of the port workers.



i. Cambodia and the Cross-Border Transport Agreement

Cross-Border Transport Agreement (CBTA) ²⁴ was discussed in late 1990s by six countries (Cambodia, Vietnam, Lao P.D.R, Thailand, Myanmar and People Republic of China) with the aim to conduct full implementation by 2009.

The agenda of its implementation were²⁵:

- Up to 1998: Preparation of Framework Agreement
- 1998: Signing
- 1998 – 2000: Preparation of annexes and protocols
- 2000-2007: Negotiation and signing of annexes and protocols

CBTA started as a trilateral agreement between and among the governments of the Lao People's Republic, the Kingdom of Thailand, and the Socialist Republic of Viet Nam signed on November 26, 1999 at Vientiane. The Kingdom of Cambodia acceded to the CBTA in 2001, the People's Republic of China in 2002, and the Union of Myanmar in 2003.

The CBTA provides a concrete approach to streamlining regulations and reducing nonphysical barriers between countries in the Greater Mekong Subregion. It covers the following areas:

- single-stop/single-window customs inspection
- cross-border movement of persons (i.e., visas for persons engaged in transport operations)
- transit traffic regimes, including exemptions from physical customs inspection, bond deposit, escort, and agriculture and veterinary inspection
- requirements that road vehicles will have to meet to be eligible for cross-border traffic
- exchange of commercial traffic rights and

²⁴ China Daily (2007, March 21). *Pact to improve transport system in Mekong region*. Retrieved August 12, 2013, from www.chinadaily.com.cn/china/2007-03/21/content_832633.htm

²⁵ Infrastructure and Regional Integration Technical Working Group (IRITWG), Royal Government of Cambodia (2009, January). *Overview on Transport Infrastructure Sectors in the Kingdom of Cambodia, Infrastructure and Regional Integration Technical Working Group – IRITWG*. Retrieved from <http://www.mpwt.gov.kh/wp-content/uploads/2012/04/2009-Overview-on-Transport-Infrastructure-Sectors-in-Kingdom-of-Cambodia.pdf>

- infrastructure, including road and bridge design standards, road signs, and signals.

The CBTA is now formally known as *The Agreement between and among the Governments of the Kingdom of Cambodia, the People's Republic of China, the Lao People's Democratic Republic, the Union of Myanmar, the Kingdom of Thailand, and the Socialist Republic of Viet Nam for the Facilitation of Cross-Border Transport of Goods and People*.²⁶

The CBTA between the countries in the Greater Mekong Subregion has spurred greater growth in port activities in Cambodia, and further increases their roles in Cambodia's economy. This also implies an increase in influence and responsibility for the Cambodian ports thereby escalating the need for social responsibility in their organizations.

ii. The "Treaty on Waterway Transportation" between Cambodia and Vietnam

Another agreement which further increases the port's role in the region is the bilateral Treaty on Waterway Transportation, signed in 2009, to reduce cross-border navigation restrictions and improve efficiency and safety standards on the Mekong. The Mekong River Commission states that "Improved regulations, monitoring, coordination, and control of navigation activities contribute towards a healthier riverine environment by reducing shipping accidents that result in oil spills and other dangerous substances. For example, specialised port facilities can eliminate the risks involved in the beach landings of petroleum tanker barges"²⁷.

The scope of the agreement is outlined as follows²⁸:

1. *Freedom of navigation for the purposes of transit and cross-border transportation shall apply on the regulated waterways as specified in Article 2.*
2. *Subject to the limitations set out in the present Agreement, freedom of navigation is granted:*
 - a. *To vessels of the Contracting Parties as well as to vessels of third states;*
 - b. *For maritime as well as for inland waterway transportation;*
 - c. *For transit as well as for cross-border transportation;*
 - d. *For the carriage of goods as well as passengers.*
3. *Freedom of navigation shall include the right to use the waterways leading to and from the ports, terminals and port groups specified in Annex C, which shall be an integral part of the present Agreement.*
4. *All beneficiaries of freedom of navigation are entitled to directly invoke and rely upon the provisions of the present Agreement.*

²⁶ *GMS Transport | Asian Development Bank*. (n.d.). Retrieved from <http://www.adb.org/countries/gms/sector-activities/transport>

²⁷ *River Transport » Mekong River Commission*. (n.d.). Retrieved from <http://www.mrcmekong.org/topics/river-transport/>

²⁸ *Agreement Between the Government of the Socialist Republic of Viet Nam and the Royal Government of Cambodia on Waterway Transportation*. (n.d.). Retrieved from <http://www.mrcmekong.org/assets/Publications/policies/agreement-waterway-trans-btw-Cam-n-VN-Eng.pdf>

5. *The present Agreement shall not apply to:*
- a. *Vessels of international agencies, diplomatic missions, governments and rescue vessels owned or operated by any of the Contracting Parties, which shall be governed by other relevant instruments;*
 - b. *Family boats of citizens living in the border area, which shall be governed by other relevant instruments including border regulations.*

The freedom of navigation point alone has will continue to spur greater growth for these countries and the ports. At the time of writing, this agreement has not been fully implemented; however, this document has the potential to boost trade on the Mekong River, and subsequently, the activities of its ports.

iii. The Cambodian Government's Policy for the Maritime and Port Sector

The Royal Government of Cambodia is committed to develop maritime transport and port laws and regulations as well as monitoring and enforcement mechanisms for all relevant international conventions and rules. To that effect, existing regulations are being updated and augmented to comply with international maritime conventions to which Cambodia is a party. A maritime law will be enacted and mechanisms set in place to ensure its implementation. It is planned to improve and update port policy and port laws and to develop a legal framework for private port operations.

The Royal Government of Cambodia recognizes the importance of maintaining both Sihanoukville and Phnom Penh as the two major ports and is committed to provide opportunities for future public-private sector partnerships or private sector participation in port operations^{29 30}.

iv. Phnom Penh

Phnom Penh is the capital and largest city of Cambodia. It is a centre of security, politics, economics, cultural heritage, and diplomacy. The Capital continues to grow and was additionally modified its boundary in four stages. Those stages are³¹:

- 1st Stage: Dangkor District added
- 2nd Stage: The creation of Khan Russey Keo
- 3rd Stage: The integration of 4 villages from Kanthork Commune to Phnom Penh territory
- 4th Stage: The integration of 20 communes from 5 Districts (Ponnhear Leu, Mok Kampoul, Khien Svay, Kandal Steung, Angsnoul) of Kandal Province to Phnom Penh.

²⁹ Sustainable Port Development in the ASEAN Region Project, GIZ (2003, February). *Initial Status Review: Sihanoukville Autonomous Port*. Bangkok, Thailand

³⁰ Sustainable Port Development in the ASEAN Region Project, GIZ (2003, February). *Initial Status Review: Phnom Penh Autonomous Port*. Bangkok, Thailand

³¹ Phnom Penh Capital Hall (2010). *Facts Phnom Penh City*. Retrieved from <http://www.phnompenh.gov.kh/phnom-penh-city-facts-99.html>

Phnom Penh is located in the south-central region of Cambodia, at the confluence of the Tonlé Sap, Mekong, and Bassac rivers. These rivers provide potential freshwater and river ecosystems as important resources for sustainable environment conditions.

Phnom Penh lies in front of the Mekong River, which is the main river in Asia with a length of 4,200km (2610 miles). The original source of the river is from the highlands of Tibet China. The river crosses Cambodia from North to South with a total length of 486km (302 miles) and passes Phnom Penh as an intersection of the river to create attractive freshwater and ecosystems for the city.



v. *Sihanoukville*

Sihanoukville is a city located along the coastline Southwest of Cambodia on the Gulf of Thailand, around 230km from the capital, Phnom Penh. It is the administrative capital of Preah Sihanouk Province.

The total land area of mainland Sihanoukville is 7,466ha. Sihanoukville is a key economic centre for Cambodia, being home to the country's only deep-water sea port. Fishing is one of the main industries in the area, supporting many of the underprivileged people. Sihanoukville also has a thriving tourism industry due to its many beaches. Growth in tourism and traffic through the port has resulted in high population growth of around three per cent on average in the last ten years.³²



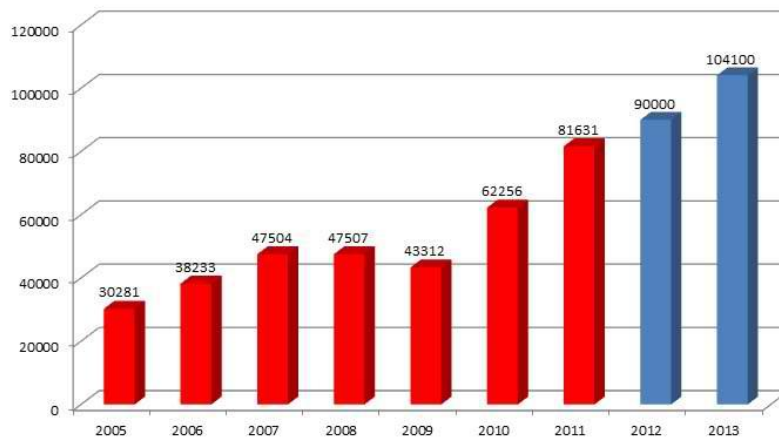
³² UN Habitat (n.d.). *Cities and climate change initiative Sihanoukville Cambodia*. Retrieved from http://www.urbangateway.org/sites/default/ugfiles/City%20flyer%20draft%20-%20CCCI%20Sihanoukville_small.pdf

2.2 Phnom Penh Autonomous Port

Phnom Penh is Cambodia's main river port, located on the Tonle Sap River. Phnom Penh has throughput of about 1 million tons, of which fuel imports account for 64% and containerized general cargo accounts for about 30%³³.

The Phnom Penh Autonomous Port has one local terminal. This terminal connects to all the domestic ports along the main rivers in others provinces: Phsar Krom Port in Kompong Chhang province (100km), Chong Kneas port in Siem Reap province (251km), Tonle Bet in Kompong Cham province (106km), Stoeung Treng Port in Stoeung Traing province (301km), Kratie port in Kratie province (221km).

Below are the statistics of Phnom Penh Port which give an overview of their capacity and activities³⁴:

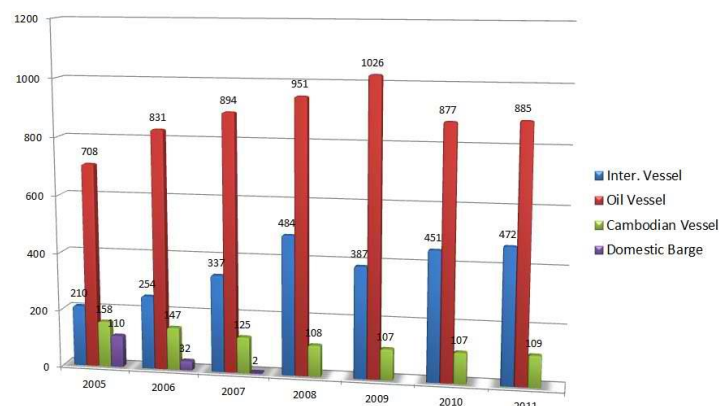


Actual and Estimated Number of Containers 2005 - 2013

Ships

2005 - 2010

Movement



³³ Sustainable Port Development in the ASEAN Region Project, GIZ (2003, February). *Initial Status Review: Phnom Penh Autonomous Port*. Bangkok, Thailand

³⁴ Phnom Penh Autonomous Port (n.d.). *Port Status*. Retrieved from http://www.ppap.com.kh/port_status.htm

Ports and Terminals under PPAP

1. Passenger Terminal (TS1)
2. Phnom Penh Container Terminal (TS3)
3. Kilometre No. 6 Port (TS11)
4. Tonle Bet Port (UM2)
5. New Container Terminal (LM17)
6. Koh Rohka Port (Prey Veng)
7. Chhlong Port (Kratie)
8. Stung Treng Port (Stung Treng)

i. Port Facilities

The port area is 5 hectares at the river. The quay has a length of 300 m with a maximum draught of 4.5 m. PPAP also operates an Inland Container Depot of 10 hectares for storing empty containers, about 2 km away from the port. All port assets are 100% state owned. A private company operates the nearby oil jetty near the port. In 2009 more than 1,500 vessels called the port of which the oil jetty handled 1,000 vehicles.

The following are the facilities available at PPAP³⁵:

1. Container Terminal -

Quay: 20m x 300m

Berthing Capacity: 3 barges at one time

2. Domestic Port -

Length 333m

Inter-Provinces: PP - Kg. Cham

PP - Siem Reap & others

3. Passenger Terminal -

2 Pontoons of 15m x 45m each

4. ICD -

Area: 92 000m²

³⁵ ASEAN Ports Association (n.d.). *Country Paper: Cambodia*. Retrieved from <http://www.aseanportsassociation.org/wp-content/uploads/2010/11/CountryPaper-Cambodia.pdf>

The port business zone, stretching 160 km to the border with Vietnam, is included in PPAP's responsibility. The river administration responsibility for the whole waterfront includes the maintenance of navigational aids.

As mentioned previously, ports in Cambodia were originally operated as government departments, and PPAP became an autonomous port authority in 2001, along with Sihanoukville. The port's governing Board of Directors report to the Council of Ministers through the Ministry of Public Works and Transport and the Ministry of Economy and Finance. The current organizational structure integrates both regulatory and operational responsibilities.

A Board of Directors assigned by the government oversees Phnom Penh Autonomous Port. The Director General of PPAP chairs the Board consisting of representatives from the Ministry of Economy and Finance, Ministry of Commerce, Ministry of Public Works and Transport, Phnom Penh City Authority and one representative of the port workers³⁶.

ii. Phnom Penh Autonomous Port's Social Responsibility Initiatives

The guideline used to explore the activities towards Corporate Social Responsibility (CSR) of the Phnom Penh Autonomous Port was the International Organization for Standardization's Guideline for Social Responsibility (ISO 26000). For the people of Phnom Penh Autonomous Port, the concept of CSR is relatively new, however, the idea of social participation is not, and this is a concept that seems to be embedded into Cambodian culture.

The following sections convey the results of the accomplished research, interview, and walk-throughs at the Phnom Penh Autonomous Port. The list of the people interviewed appears in **Annex 1**.

Organizational Governance

The management of PPAP has demonstrated leadership commitment and accountability in many areas of social responsibility, most particularly with its community involvement, labor practices, and its policies for safety, health and the environment.

A message from their Chairman & CEO H.E. Hei Bavy states; "PPAP plays a significant role in social development by providing more than 400 direct jobs and thousands of in-direct jobs to Cambodians. Furthermore our port can help shipping companies to save their freight up to

³⁶ Sustainable Port Development in the ASEAN Region Project, GIZ (2003, February). *Initial Status Review: Phnom Penh Autonomous Port*. Bangkok, Thailand

20%..."³⁷ The mention of PPAP's contribution to social development indicates that the organization is well aware of its responsibility to its community and society.

The Deputy Director General of Maritime Service and Traffic, H.E. Eang Vengsun, as well as other directors, managers and staff, also made this leadership commitment evident during the research period when they took the time to be in session with the researchers during the meeting, and answered many of their questions regarding PPAP's social responsibility initiatives.

PPAP, as seen in the example of their CEO and Chairman, has created and nurtured an environment and culture in which several of the principles of social responsibility are practiced and this will be detailed in the following pages. Though the term "corporate social responsibility" was new to many in the group, it was apparent that PPAP has been practicing social responsibility through many initiatives of management for the community. The endeavors they have made for the community are showcased on PPAP's on their website called "Social Participation"³⁸. They have promoted a fair opportunity for underrepresented groups, particularly women, to occupy senior positions in the organization as evidenced by a lady Deputy Director General that PPAP currently employs.

By prioritizing the people living in the area to become the staff of the port, PPAP practiced its social responsibility and its community engagement in 1996, during the rehabilitation of the PPAP as funded by the Government of Japan³⁹.

Today, management encourages effective participation of all levels of employees in the organization's social responsibility. Through its provision of education, encouragement of employees to help various national and private university students that come to PPAP to do research for their thesis, and encouraging port employees to visit rural areas particularly in the poverty stricken areas, management continues to show its commitment towards its community.

Human Rights

Port organizations are encouraged to ascertain the prevention and focus of management on actual or potential human rights impacts. PPAP exhibits this through their grievance processes. In this regard, there exists at PPAP, a port workers union to provide a venue where workers may say their grievances to management and have dialogues when necessary.

One of the vulnerable groups identified by the UN particularly prone to discrimination is Women and Girls⁴⁰ and a port's policies and activities should have due respect for women's rights and encourage the equal management of women and men in the economic, social and

³⁷ Phnom Penh Autonomous Port (n.d.). *CEO Greeting*. Retrieved August 8, 2013, from http://www.ppap.com.kh/about_us/ceo_greeting.htm

³⁸ Phnom Penh Autonomous Port (n.d.). *Social Participation*. Retrieved August 5, 2013, from http://www.ppap.com.kh/social_participation.htm

³⁹ Government of Japan (2010, August). *Japan's ODA to the Kingdom of Cambodia*. Retrieved from http://www.kh.emb-japan.go.jp/economic/oda/odalist_sept2010-e.pdf

⁴⁰ United Nations (UN). *Convention on the Elimination of All Forms of Discrimination against Women*. 1979

political arenas. PPAP has shown that it does not discriminate against women in its actions as an organization. Currently, out of four (4) Deputy Director Generals, one is a woman. Even at the lower levels, PPAP's planning and statistic directors are women. A port policy currently exists stating that women are not allowed to work at night for protection, safety, and security of their women port workers. This is consistent with the ILO Convention C089 - Night Work (Women) Convention⁴¹ which is currently in interim status, meaning that the convention is not fully up to date, but is still relevant in certain respects.

Economic, social, and cultural rights are also a crucial aspect of Human Rights. PPAP, as a socially responsible port organization, has also contributed to the fulfillment of such rights, by facilitating access to, and providing support and facilities for, education and lifelong learning for community members. The section on Community involvement will delve in greater detail into this, particularly in PPAP's provision of facilities for education. Nevertheless, under the topic of "Social Participation" in PPAP's website⁴², under the financial and technical assistance from Belgium via Antwerp Maritime Academy, the Cambodia Maritime Institute was established aiming to provide navigation and nautical knowledge to Cambodian students. PPAP and the Sihanoukville Autonomous Port are the main organizations responsible to ensure this institute's success in its mission of knowledge transfer. The Cambodia Maritime Institute is a joint management institute. It will provide both short and long courses that will mainly focus on the upgrading port service quality. This then is another proof positive of this port organization's contribution towards the economic, social, and cultural rights of the port workers and their community⁴³.

Currently, management stated during the meeting that they have had no human rights issues in the port.

Labour Practices

The labour practices of a port organization include all policies and practices relating to work performed within the port, including subcontracted work. One of PPAP's most significant economic and social contributions is the creation of jobs, as well as wages and other compensation paid for work performed by their employees, and in the process, improves the of standards of living of their employees through full and stable employment and decent work.

As also mentioned in the Human Rights section above, the organization ensures equal opportunities for all workers and does not discriminate either directly or indirectly in their labor practices, particularly seen through their employment of the vulnerable group of women. In PPAP, women are able to reach the higher rungs of management, and are able to achieve their potentials comparative to their background, training, and expertise.

⁴¹ International Labour Organization (n.d.). *C089 - Night Work (Women) Convention (Revised), 1948 (No. 89)*. Retrieved from

https://www.ilo.org/dyn/normlex/en/f?p=1000:12100:0::NO::P12100_INSTRUMENT_ID:312234

⁴² Phnom Penh Autonomous Port (n.d.). *Social Participation*. Retrieved August 5, 2013, from http://www.ppap.com.kh/social_participation.htm

⁴³ Ibid.

Another way port organizations practice CSR is through the conditions of work and social protection. As observed, PPAP provides decent conditions of work with regard to wages, hours of work, weekly rest, holidays, and health and safety. Cambodia as a country has yet to ratify some of the conventions related to the aforementioned issues; however, PPAP already practices many of these as an organization⁴⁴.

An important aspect of social responsibility of a port organization is in health and safety at work. Through their process towards the Port Safety Health and Environmental Management System (PSHEMS) of Partnerships in Environmental Management for the Seas of East Asia (PEMSEA)⁴⁵, PPAP has established the following health and safety initiatives:

- The development, implementation and maintenance of a health and safety policy;
- An understanding and application of principles of health and safety management, including the hierarchy of controls: elimination, substitution, engineering controls, administrative controls, work procedures and personal protective equipment;
- An analysis and control of the health and safety risks involved in its activities;
- Communication of the requirement that workers should follow all safe practices at all times and ensure that workers follow the proper procedures;
- Provision of the safety equipment needed, including personal protective equipment, for the prevention of occupational injuries, diseases and accidents, as well as for dealing with emergencies;

For its activities towards health, PPAP has participated and provided information for the “Assessing the needs for a combined Tuberculosis and HIV prevention and information campaign”,⁴⁶ commissioned by the GIZ Sustainable Port Development in the ASEAN Region Project.

PPAP also shows strength in human development, and training, in their workplace. Their partnership with the Antwerp Maritime Academy and the establishment of the Cambodia Maritime Institute to provide navigation and nautical knowledge to Cambodian students evidences this. Also, apparent is management’s willingness to support its personnel in participating in capacity building activities through international agencies and other organizations.

The Environment

A main issue of concern in terms of environmental sustainability for ports is pollution, whether this is air, discharges to water, waste management, use and disposal of toxic and hazardous chemicals, and control of other forms of pollution.

⁴⁴ International Labour Organization (n.d.). *Ratifications for Cambodia*. Retrieved from www.ilo.org/dyn/normlex/en/f?p=1000:11200:0::NO::P11200_COUNTRY_ID:103055

⁴⁵ *Port Safety, Health and Environmental Management System (PSHEMS) Development and Implementation Guideline | PEMSEA.org*. (n.d.). Retrieved from <http://www.pemsea.org/publications/port-safety-health-and-environmental-management-system-psheems-development-and-implement>

⁴⁶ GIZ Sustainable Port Development in the ASEAN Region (2012). *Assessing the needs for a combined Tuberculosis and HIV prevention and information campaign*

PPAP has already started to identify the aspects and impacts particularly of the air quality. In collaboration with GIZ Sustainable Port Development in the ASEAN project, an air emissions inventory that was completed. The summary of results was the following in tonnes/year⁴⁷:

	NO _x	PM ₁₀	PM ₂₅	HC	CO	SO _x	CO ₂	N ₂ O
OGV	189.100	28.900	26.400	8.400	17.700	233.600	65092.800	6.400
HaC	4.173	0.386	0.375	0.113	0.628	1.626	287.602	0.008
CHE	10.418	0.397	0.387	0.913	3.523	0.142	668.670	0.000
Vehicle	0.872	0.020	0.019	0.061	0.227	0.063	61.502	0.000
Total	204.564	29.703	27.181	9.487	22.078	235.431	66110.574	6,408

As seen in the summary table above, the air emissions from Ocean Going Vessels (OGV) dominate the air emission sources in PPAP. The container ships emit almost all the air pollutants in PPAP (about 80 % of total emissions). In terms of the air pollutants such as carbon monoxide (CO) and nitrogen oxide (NO_x), the air emissions from cargo handling equipment (CHE) are higher compared to the other sources. It was recommended that they pursue equipment with cleaner fuel for their CHEs in order to lessen the use of fossil fuels at the port.

In this regard, measures to lessen their environmental impact with regard to air emissions have been taken through the purchase of Electric Rubber-Tired Gantry (E-RTGs) Cranes versus the traditional diesel powered cranes. Newly purchased travelling cargo cranes, also known as mobile harbor cranes, are also all electric.

In terms of environmental policy, the port has recently updated their Port Safety, Health and Environmental Management System (PSHEMS)⁴⁸ policy and this policy includes environmental compliance. PPAP has also openly endorsed the “Treaty on Waterway Transportation” between Cambodia and Vietnam which puts in place various of measures for ensuring river traffic safety and regulating the transportation of dangerous goods by river. The improved regulations, monitoring, coordination, and control of navigation activities as described in the treaty, will contribute towards a healthier river environment by reducing shipping accidents that result in oil spills and other dangerous substances⁴⁹.

Fair Operating Practices

For port organizations, fair operating practice issues may be practiced in the areas of anti-corruption, responsible involvement with the public sector, fair competition, relations with other organizations and respect for property rights.

⁴⁷ Sustainable Port Development in the ASEAN Region, GIZ (2011, December). *Air Emission inventories for Phnom Penh Autonomous Port*. Bangkok, Thailand.

⁴⁸ *Port Safety, Health and Environmental Management System (PSHEMS) Development and Implementation Guideline* | PEMSEA.org. (n.d.). Retrieved from <http://www.pemsea.org/publications/port-safety-health-and-environmental-management-system-pshems-development-and-implement>

⁴⁹ *Agreement Between the Government of the Socialist Republic of Viet Nam and the Royal Government of Cambodia on Waterway Transportation*. (n.d.). Retrieved from <http://www.mrcmekong.org/assets/Publications/policies/agreement-waterway-trans-btw-Cam-n-VN-Eng.pdf>

During the interview with PPAP's Deputy Director General Maritime Service/Traffic, H.E Eang Vengsun mentioned that PPAP adheres to the initiatives of the Anti-Corruption Unit of the Royal Government of Cambodia as an organization. On April 17, 2010, the Anti-Corruption Law, comprising 9 Chapters and 57 Articles⁵⁰ was adopted and promulgated for the first time by His Majesty the King of Cambodia and has established a separate Anti-Corruption Institution composed of the National Anti-Corruption Council and the Anti-Corruption Unit where the Royal Government has been adopting a four-pronged approach for this namely⁵¹; Education, Prevention, Law Enforcement, and International Cooperation. In line with this, the port has internal and external audit systems for accounting and administration, and they also have a private firm conduct audits on its port governance.

As part of responsible political involvement, PPAP mentions that they maintain respectful relations with the local government. In the areas where certain local government responsibilities overlap with the ports, PPAP participates in discussions with the local government to resolve these issues.

Consumer Issues

Social responsibility in terms of consumer issues is the acknowledgement of the port organization that they have responsibilities towards their customers. The issue of relevance for ports, in particular, is that the ports provide accurate information to their consumers, and minimization of risks is ensured for any individual or organization that use the port's services.

PPAP seeks to provide this accurate information by publishing their tariff rates in their website and by informing their existing customers of any changes through email and hard copy. With regard to minimizing the risks for any of their customers, the planned activities for their PSHEMS will help to mitigate safety and health risks for their employees and their consumers, including but not limited to⁵²:

- Training for Emergency Preparedness and response
- Distribution of PPE to all employees and guests visiting the port
- Safety, Health, and Environmental Inspections
- Monitoring activities for:
 - National and Port regulations
 - Programs and Objectives
 - Daily Activities

⁵⁰ International Association of Anti-Corruption Authorities (2012, February 21). *Anti-Corruption Institution - Cambodia*. Retrieved from http://www.iaaca.org/AntiCorruptionAuthorities/ByCountriesandRegions/C/CAMBODIA/201202/t20120221_809017.shtml

⁵¹ UN Asia and Far East Institute for the Prevention of Crime and the Treatment of Offenders (UNAFEI) (n.d.). *PREVENTING CORRUPTION: EFFECTIVE ADMINISTRATIVE AND CRIMINAL JUSTICE MEASURES*. Retrieved from http://www.unafei.or.jp/english/pdf/PDF_GG5_Seminar/GG5_Cambodia2.pdf

⁵² Output of the PSHEMS Workshop Phase 4 held at PPAP on 22-26 April 2013

Community Involvement and Development

The community involvement initiatives of a port organization in terms of corporate social responsibility are ideally linked to the Millennium Development Goals (MDG) of the United Nations⁵³.

Community involvement is the strength of PPAP in terms of social responsibility and the activities touch on the following MDGs:

MDG: Eradicate extreme poverty and hunger

PPAP through its operations has created jobs for the community. This contributes positively to its community involvement by alleviating its employees from poverty and hunger through their employment.

MDG: Achieve universal primary education

The Phnom Penh Autonomous Port has various initiatives for nearby communities and they have contributed needed resources to rehabilitate infrastructures such as roads, irrigation, schools, and other equipment for our people in rural areas.

For example, PPAP has contributed to the Preyveing Province a school, pagoda, roads, and irrigation. They have also contributed various infrastructure projects for Phnom Penh such as roads, schools, and garden parks, and implements these at times with a 50-50 sharing of costs with the local government.

MDG: Combatting of HIV/Aids, and other diseases

PPAP has participated and provided information for the “Assessing the needs for a combined Tuberculosis and HIV prevention and information campaign”,⁵⁴ commissioned by the GIZ Sustainable Port Development in the ASEAN Region Project and encourages its employees to be socially responsible, by encouraging them to contribute to the Red Cross Foundation from their personal funds.

MDG: Promote gender equality and empower women

PPAP’s gender equality practices in allowing women to occupy high and important positions in the organizations have been previously narrated. This will serve as a positive example to the community regarding gender equality.

MDG: Develop a global partnership

PPAP encourages its employees to take part in the activities sponsored by international agencies and are open to collaborating with various institutions.

National policy has also helped PPAP in achieving social responsibility as an organization. The Treaty on Waterway Transportation, signed by Cambodia and Vietnam in Phnom Penh last

⁵³ United Nations (n.d.). *Millennium Development Goals*. Retrieved from <http://www.un.org/millenniumgoals/>

⁵⁴ GIZ Sustainable Port Development in the ASEAN Region (2012). *Assessing the needs for a combined Tuberculosis and HIV prevention and information campaign*

December 2009, legally binds Cambodia and Vietnam to reducing the official restrictions that have existed for cross-border navigation. “The Mekong, and a range of other tributaries between Cambodia and Viet Nam are now officially open. Now no one may legally stop river trade,” said H.E. Mr. Mom Sibon, Secretary of State, Ministry of Public Works and Transport in Phnom Penh today. “This is a historical step that will not only improve the quality and efficiency of waterborne transport in the Mekong Region, but in the long-term, will increase export potential and help both Cambodia and Viet Nam achieve their poverty alleviation goals.” Phnom Penh Autonomous Port was fully supportive of this treaty, saying, “This agreement, along with the recent development of Cai Mep Port in Viet Nam provide exciting opportunities for economic growth in Cambodia and development of Phnom Penh Port,” said H.E. Mr. Hei Bavy, Delegate of the Royal Government of Cambodia, Chairman and CEO of Phnom Penh Port. “We can now realize the full potential of the Mekong River by transporting goods directly to the United States, Europe and Australia through Cai Mep Port.”^{55 56}

⁵⁵ Mekong River Commission (2009, December 17). *Cambodia and Viet Nam formally open-up cross-border river trade on the Mekong*. Retrieved from <http://www.mrcmekong.org/news-and-events/news/cambodia-and-viet-nam-formally-open-up-cross-border-river-trade-on-the-mekong/>

⁵⁶ *Agreement Between the Government of the Socialist Republic of Viet Nam and the Royal Government of Cambodia on Waterway Transportation*. (n.d.). Retrieved from <http://www.mrcmekong.org/assets/Publications/policies/agreement-waterway-trans-btw-Cam-n-VN-Eng.pdf>

2.3 Sihanoukville Autonomous Port

Sihanoukville Autonomous Port (PAS) is one of two international ports of Cambodia and the only deep sea port of Cambodia. The port is strategically located 230 km southwest of the capital, Phnom Penh.

Presently, the total operational land area of the Sihanoukville Autonomous Port is about 125 hectares. In order to cope with the increasing rates of cargo, another 350m long new quay with 10.50 m maximum draft was constructed in 1966. The construction of Container Terminal with a 400m long quay and a 6.5 hectare container yard was completed in 2007. The main access to the port is via a 3 km fairway channel, marked by buoys and leading lights for daylight navigation only. Due to rocky outcrops in the channel, the entrance to the port is restricted to vessels with a draft of less than 8.0-8.5 m. In practice boats of up to about 10,000 (dwt) can use the port. On the land side, the port is served by National Highway No. 4 (226 km to Phnom Penh), the main link between Phnom Penh and the coast (226 km) and the railway line, completed in 1969, which takes a more southerly route via Kampot.

Most cargoes carried by large vessels and container ships into Cambodia are handled at Sihanoukville. This is due to the limited capacity of Phnom Penh Autonomous Port as a river port, the main traffic types handled at Sihanoukville Port by tonnage for the last five years till 2012 are: containers (59%), general cargo (14%), and oil products (27%)⁵⁷.

As aforementioned, the strategy of Rectangular Policy of the Royal Government⁵⁸ for the third and fourth mandates of the National Assembly in item No. 2 stipulates “...The Royal Government will continue to provide a high priority for the rehabilitation and construction of all kinds of transport system, which consist of routes, bridges, railroads, inland waterway, ports and airports connecting between all the areas...”

PAS is fully supported by the Royal Government through this strategy and has received assistance for the expansion of PAS’s main infrastructure enabling PAS to be highly competitive in its cargo handling operations. Its rapid growth may also be attributed to various international aid agencies. Japan, in particular, has supported the development of container terminals at PAS through loans and technical cooperation. For the construction of the container terminal, the Japanese International Cooperation Agency (JICA) provided loans of 4,141 million yen (1999) and 4,313 million yen (2004). The developed container yard capacity and its equipment can be regarded as more than sufficient to satisfy the demand of the foreseeable future. JICA also provided loans of to the Sihanoukville Port Special Economic Zone Development Project: 318 million yen in 2006 and 3,651 million yen in 2008⁵⁹.

⁵⁷ Sihanoukville Autonomous Port. *RE: PAS - CSR Study Draft*. Message to Author. 7 August 2013. Email.

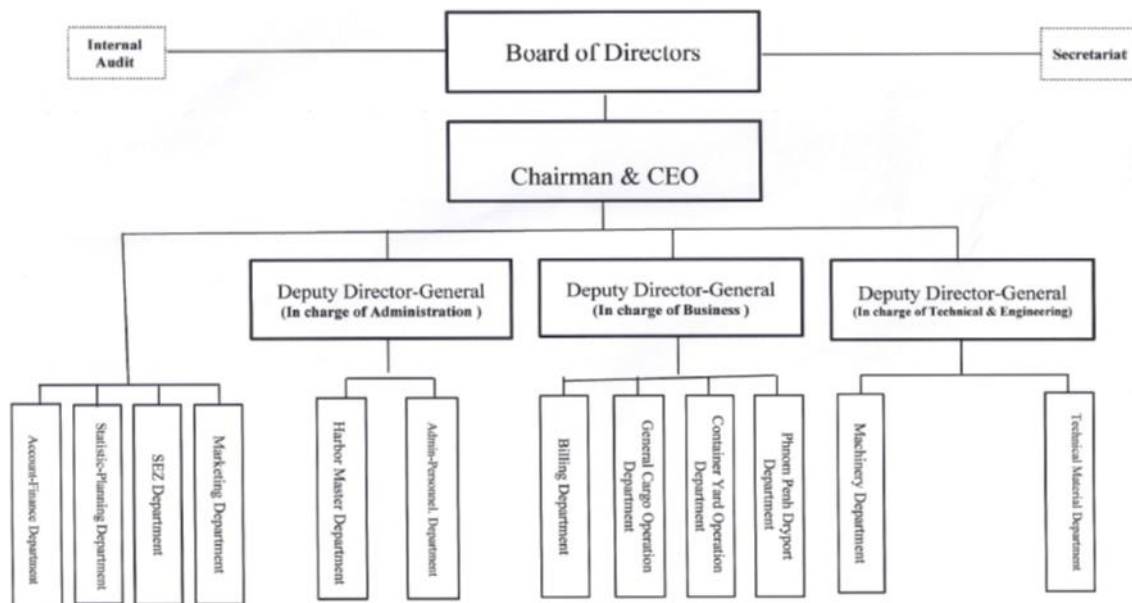
⁵⁸ Royal Government of Cambodia (n.d.). *The Rectangular Strategy for Growth, Employment, Equity and Efficiency in Cambodia*. Retrieved from http://www.cdccrdb.gov.kh/cdc/aid_management/RGC_Rectangular_Strategy_2004.pdf

⁵⁹ *Signing of Japanese ODA Loan Agreement with Cambodia | News & Features | JICA*. (2009, August 21). Retrieved from <http://www.jica.go.jp/english/news/press/2009/090821.html>

In order to successfully and sustainably abide by the rectangular strategy of the Royal Government, PAS has committed to perform its business operations in a way that is consistent with good practices and social responsibility. This means that PAS has not only generated the profit and increased its productivity the last few years, but has also complied with national regulations inculcating ethical behavior of all staff and addressing the expectations of stakeholders for both the present and the future.

The organizational structure of PAS is quite similar to that PPAP ⁶⁰.

PAS's Organization chart



The governing board of PAS also reports to the Council of Ministers through the Ministry of Public Works and Transport (MPWT) and the Ministry of Economy and Finance.

i. Port Facilities

Sihanoukville Autonomous Port has the following facilities⁶¹:

1. OLD PIER (290mx28m)

Berths No. 1 and N^o 3, alongside depth: - 9m to -13m for ships under- 8.5m draft.

Berths No. 2 and N^o 4, alongside depth: - 6.5m to -8m for ships under -7m draft.

2. NEW WHARF (350m)

Berth No. 5 (Western part), alongside depth: -8m for ships under -7m draft.

Berth No. 6 (Eastern part), alongside depth : -6.5m to -8m for ships under -6.5m draft.

⁶⁰ Sustainable Port Development in the ASEAN Region Project, GIZ (2003, February). *Initial Status Review: Sihanoukville Autonomous Port*. Bangkok, Thailand

⁶¹ Sihanoukville Autonomous Port (n.d.). *Berthing Facility*. Retrieved from <http://www.pas.gov.kh/beta/site/menulistdetail/28.html>

3. NEW CONTAINER TERMINAL

400m of quay length (Berth No7; No8; No9) , alongside depth: -9m for ships under - 8.3m draft.

4. TANKER TERMINAL

Pier (53x5)m, for tankers with -4.2m draft, is reserved for tankers less than 80m LOA.

Conventional Mooring Buoy (CMB) for tankers of 6m draft has been designed for tankers less than 110m LOA with -5.6m draft.

The deep draft tanker terminal for ships of -9.2m draft is based in Lat. 10o43'00N & Long. 103o31'800E.

PTT Tanker Jetty is based in Lat. 10o29'500N & Long. 103o36'620E and reserved for PTT products only.

Lift On-Off Equipment ⁶²:

- Gantry Crane 30.50t	02 units
- Harbour mobile crane 64t	02 Units
- RTG crane 40.6t	07 Units
- Super stacker 45t	06 Units
- Empty stacker 7.5t	02 Unit
- Trailers 20' – 40'	17 Units
- Shore cranes 10-50t	08 Units
- Forklifts 5-25t	10 Units
- Trucks 10-20t	10 Units

ii. *Sihanoukville Autonomous Port's Social Responsibility Initiatives*

The Sihanoukville Autonomous Port (PAS) was explored in terms of its undertakings towards Corporate Social Responsibility (CSR) using the International Organization for Standardization's Guideline for Social Responsibility (ISO 26000). As will be seen in the following pages, PAS is another example of the integration of CSR as a part of Cambodian culture.

Below are the results of the research, interview, and walk-throughs that were conducted at the Sihanoukville Autonomous Port. A list of the people interviewed appears in **Annex 1**.

Organizational Governance

⁶² Sihanoukville Autonomous Port (n.d.). *Lifting Facility*. Retrieved from <http://www.pas.gov.kh/beta/site/menulist/16.html>

The integration of CSR into PAS is clear with the Mission of "Serving the policy of the Royal Government in the development of national economy and poverty alleviation is our major obligation"; "Improving service quality, reducing abnormal expenses and creating convenient opportunities for our customers are our major mission"⁶³. That the alleviation of poverty is included in the port's mission is a testament to their commitment to their community.

In various areas of social responsibility, most particularly with community involvement, labour practices, and policies for safety, health and environment, the management of Phnom Penh Port has demonstrated the commitment of its leadership and accountability for its practices.

Leadership commitment is critical for successful organizational governance. Such commitment encourages employee motivation to carry out social responsibility and to integrate social responsibility into the culture of the port organizational. For PAS, this leadership commitment was evidenced by the presence of H.E. Ma Sunhout, Deputy Director General and Advisor to Samdach CHEA SIM President of the Senate, who answered the researchers' questions readily and unwaveringly, and his pleasure at identifying the various infrastructures, benefits and services that Sihanoukville Autonomous Port (PAS) has provided for the community.

In the involvement of PAS for the Sihanoukville Port Special Economic Zone Development Project as the Executing Agency, the Ex-ante Evaluation project document from the Japan International Cooperation Agency⁶⁴, various social responsibility elements could already be gleaned from their efforts and this will be identified in detail in the following sections.

During the course of the interview, and with the above, it was apparent that though the phrase "corporate social responsibility" was not commonly used by PAS, it was already ingrained in the culture of the port organization, and this is carried out through many efforts of the port for and in behalf of the community of Sihanouk.

Human Rights

PAS has shown that it is aware of its responsibility towards human rights for its surrounding communities by attending to the potential human rights impacts resulting from their activities. In the creation of their economic zone, they were able to relocate the residents of 700 families from 2001 to 2006⁶⁵ and have identified the monitoring of their living conditions as part of their planned actions. This has prevented their displacement in the community and would have been a deep impact resulting from the port expansion. In February 2001, an article appeared in The

⁶³ Sihanoukville Autonomous Port (n.d.). *Mission*. Retrieved August 8, 2013, from <http://www.pas.gov.kh/beta/site/menulistdetail/48.html>

⁶⁴ Japan International Cooperation Agency (n.d.). *Ex-ante Evaluation: Sihanoukville Port Special Economic Zone Development Project*. Retrieved from http://www.jica.go.jp/english/our_work/evaluation/oda_loan/economic_cooperation/c8h0vm000001rdjt-att/cam0831_01.pdf

⁶⁵ Japan International Cooperation Agency (n.d.). *Ex-ante Evaluation: Sihanoukville Port Special Economic Zone Development Project*. Retrieved from http://www.jica.go.jp/english/our_work/evaluation/oda_loan/economic_cooperation/c8h0vm000001rdjt-att/cam0831_01.pdf

Cambodia Daily⁶⁶ mapping out the planned relocation by the Sihanoukville port officials of the informal settlers in the area.

Present during the meeting was Ms. Hang Dory, a woman who is the Chief of PAS's trade union, proving two human rights issues; that women may head key positions in PAS, and; that unions exist to provide avenues for grievance processes at PAS. The port meets with the unions approximately twice a year and special meetings also take place as needed within the year.

Sihanoukville Autonomous Port, as mentioned previously, has partnered with the Phnom Penh port and are the main organizations responsible to ensure the success of the Cambodia Maritime Institute and with this initiative contributes towards the economic, social, and cultural rights of the port workers and their community.

Labour Practices

The Sihanoukville Autonomous Port is an prominent player in the community of Sihanouk, and, as it expands, so does the creation of jobs, wages, and other economic factors in the community. With its involvement in the new economic zone, 15,000 jobs are foreseen to be created,⁶⁷ which is a significant number in a province with a population of 250,000⁶⁸. This in itself is a substantial contribution in terms of social responsibility for the community.

As discussed in the Human Rights section, PAS ensures all personnel have the right to equal opportunity and does not discriminate based on race, caste, nationality, religion, political opinion, gender in their labor practices. This is particularly evident through their employment of the vulnerable group of “women and girls”. In terms of gender equality, in particular, it was discussed during the interview that the Port abides by the Policy of the Royal Government and that PAS has a lady Deputy Director of its Marketing Department, and, as mentioned, the Deputy President of the Port Trade Union is also a woman and another woman is the Chief of PAS Women’s Association).

Decent working conditions with regard to wages, discretionary income, working hour, overtime, weekly rest, holidays, and safety, health working environment have also been observed in PAS and are another evidence of social responsibility in terms of its labor practices. These are all detailed in PAS’s general regulations.

Safety and health of its port workers also comprises an essential element of social responsibility for PAS, and this is seen in their efforts towards Port Safety Health and Environmental

⁶⁶ *S’ville Port Officials Form Relocation Plan | The Cambodia Daily*. (n.d.). Retrieved from <http://www.cambodiadaily.com/archive/sville-port-officials-form-relocation-plan-19790>

⁶⁷ Japan International Cooperation Agency (n.d.). *Ex-ante Evaluation: Sihanoukville Port Special Economic Zone Development Project*. Retrieved from http://www.jica.go.jp/english/our_work/evaluation/oda_loan/economic_cooperation/c8h0vm000001rdjt-att/cam0831_01.pdf

⁶⁸ Council for the Development of Cambodia (CDC), Cambodian Investment Board (CIB), and the Cambodian Special Economic Zone Board (CSEZB) (n.d.). *Preah Sihanouk Province « The Council for the Development of Cambodia (CDC)*. Retrieved from <http://www.cambodiainvestment.gov.kh/preah-sihanouk-province.html>

Management System (PSHEMS) of Partnerships in Environmental Management for the Seas of East Asia (PEMSEA)⁶⁹. Through their efforts, PAS has:

- Identified, assessed and analyzed potential areas of control for the safety and health risks involved in its activities.
- Developed a health and safety policy for PAS
- Provision of safety equipment, including but not limited to personal protective equipment, for the prevention of occupational injuries, accidents, as well as for emergencies.
- Creation of policies and procedures to ensure that PAS is compliant with decent conditions in the workplace. These policies are continuously reviewed.
- Participated and provided information for the GIZ report on “Assessing the needs for a combined Tuberculosis and HIV prevention and information campaign”⁷⁰ through provision of resource people and assistance in the facilitation of focus group discussions.

PAS has also shown its commitment to employee development through its support of their participation in various capacity building activities of international agencies, and other organizations.

The Environment

PAS is in the process of implementing their Port Safety, Health, and Environmental Management System (PSHEMS), and environmental compliance forms part of its policies for the PSHEMS.

Their environmental initiatives, in partnership with the Japan International Cooperation Agency, include an Environmental Impact Assessment (EIA) related to the Sihanoukville Port Special Economic Zone Development Project. This document will aid PAS in reducing their environmental impacts, and be helpful for leadership to take into consideration the direct and indirect economic, social, health and environmental implications of their decisions, activities, and even future regulations.

Anti-pollution measures have also been undertaken by PAS such as the treatment of wastewater from the Sihanoukville Port Special Economic Zone before being released into the sea to meet the wastewater standards established in Cambodia. The wastewater treatment plant has been operational since March 2013.

In summary, PAS has shown social responsibility towards its environmental issues through:

- The initiation of the PSHEMS⁷¹ and including environmental policies as a start in creating a systematic approach in addressing environmental aspects in the port.

⁶⁹ *Port Safety, Health and Environmental Management System (PSHEMS) Development and Implementation Guideline | PEMSEA.org*. (n.d.). Retrieved from <http://www.pemsea.org/publications/port-safety-health-and-environmental-management-system-psheems-development-and-implement>

⁷⁰ GIZ Sustainable Port Development in the ASEAN Region (2012). *Assessing the needs for a combined Tuberculosis and HIV prevention and information campaign*

- The identification of the aspects and impacts of its decisions and activities particularly of the Sihanoukville Port Special Economic Zone through the EIA done in 2006; and
- The implementation of measures aimed at preventing pollution and waste, through its wastewater treatment plant. Additionally, they have a unit at PAS to conduct waste collection and segregation for ships berthing at their harbor.

Fair Operating Practices

PAS, being one of the most respected organizations in the community of Sihanouk, continues to maintain healthy relationships with the local government officials, and maintains responsible involvement with the public sector through its endeavors for the community, to be mentioned in detail in the section on Community Involvement.

In order to be a good member of the community, PAS continues to build positive relationships with local districts and encourages its workers and employees to participate in all the activities that will benefit both the port and local communities.

PAS officials also maintain that the organization follows the anti-corruption policies of the government⁷², adopting its four-pronged approach of Education, Prevention, Law Enforcement, and International Cooperation. Evident among these elements is the area on International Cooperation where PAS has been the recipient of, and continues to cooperate with, various international agencies and NGOs. Also noted during the meeting was that port workers have a higher salary than other ministries, which helps to eliminate corruption, and that the port has recently established a new department, the internal audit department, which does a 'check and balance' of their systems and finances. Furthermore, the Electric Data Interchange system being used in the port has decreased time-consuming procedures and under-the-table negotiations at PAS.

Consumer Issues

PAS continues to practice social responsibility in its port and seeks to be honest and fair in its relationship with their consumers, particularly in the provision of accurate information for, and to be ready for discussion with its consumers, and the minimization of risk for the ships that berth at their docks.

During the interview, it was mentioned that port tariffs could be viewed at the PAS website. At the time of the writing of this report, this could not be verified as the website was under construction. Any changes in port tariffs are communicated through email and hardcopies.

⁷¹ *Port Safety, Health and Environmental Management System (PSHEMS) Development and Implementation Guideline* | PEMSEA.org. (n.d.). Retrieved from <http://www.pemsea.org/publications/port-safety-health-and-environmental-management-system-pshems-development-and-implement>

⁷² International Association of Anti-Corruption Authorities (2012, February 21). *Anti-Corruption Institution - Cambodia*. Retrieved from http://www.iaaca.org/AntiCorruptionAuthorities/ByCountriesandRegions/C/CAMBODIA/201202/t20120221_809017.shtml

The mitigation of safety and health risks for both employees and consumers is also seen in their efforts towards the implementation of the PSHEMS.

Community Involvement and Development

Community involvement is one of the strengths in terms of Social Responsibility for PAS and they are heavily involved in the sustainability of their community, and have contributed significantly towards the Millennium Development Goals (MDGs)⁷³ of Sihanoukville. This can be seen in the following efforts:

MDG: Eradication of extreme poverty and hunger

PAS through its operations has created jobs for the community and with the expansion of the Sihanoukville Port Special Economic Zone, this has provided an opportunity for 15,000 jobs⁷⁴ to be generated, helping alleviate poverty and increase per capita income of the community

MDG: Achieving universal primary education

PAS has constructed primary and secondary schools for Sihanouk as well as other provinces, helping to achieve universal primary education in their area. The port also awards outstanding students in schools, and they are provided with study materials by the port. The organization also provides monthly assistance for rural schools in order to provide access to the internet

MDG: Promotion of gender equality and empowerment of women

The endeavors towards gender equality have been highlighted in the Human Rights and Labor Practices section for PAS in this report and the organization has shown that the port has sought to practice gender equality in its undertakings.

MDG: Combatting of HIV/Aids, and other diseases

PAS has participated extensively in the “Assessing the needs for a combined Tuberculosis and HIV prevention and information campaign”⁷⁵ study commissioned by GIZ and has implemented measures against AIDS targeting construction workers at the port, and has agreed to implement other measures against AIDS including having in-house clinics for this purpose. The openness of the PAS community to this endeavor is to be lauded

MDG: Develop a global partnership for development

PAS has shown itself to be exceptionally open to international cooperation. They not only coordinate with various international agencies but also:

⁷³ United Nations (n.d.). *Millennium Development Goals*. Retrieved from <http://www.un.org/millenniumgoals/>

⁷⁴ Japan International Cooperation Agency (n.d.). *Ex-ante Evaluation: Sihanoukville Port Special Economic Zone Development Project*. Retrieved from http://www.jica.go.jp/english/our_work/evaluation/oda_loan/economic_cooperation/c8h0vm000001rdjt-att/cam0831_01.pdf

⁷⁵ GIZ Sustainable Port Development in the ASEAN Region (2012). *Assessing the needs for a combined Tuberculosis and HIV prevention and information campaign*

1. Provision of assistance in coordinating with the Seattle-Sihanoukville Sister City Association (Sea-Sih), a non-profit and volunteer organization, to develop programs that strengthen cultural, educational, healthcare, and commercial ties between the people of greater Seattle and Sihanoukville.
2. Construction of various roads, schools, hospitals in the Sihanouk province, in cooperation with Norwegian individuals, where the partners provide equipment and materials for installation and construction in the identified areas and the ports cover the expenses of labor, transportation, and other miscellaneous expenses. A list of these initiatives may be found at **Annex 5**.
3. Participation in the Experience Exchange Program and Education between the Training Center of Siem Reap province and Kristiansand University in Norway where two teachers from Siem Reap province are sent for study and training at the University in Kristiansand city once a year with two exchange teachers from Norway. This program, which has been established since 2000 and is still in existence as of the writing of this paper.

PAS has also demonstrated their involvement and commitment to their community by constructing schools in Krachap Village, (1996), Wat Champa (2004), both in the Takeo Province and the Champu Khmao Village (2006) in Preah Sihanouk Province.

2.4 Highlights of CSR Strengths for Cambodia

The following are the highlights of the CSR Strengths in Cambodian Ports:

- The top management in Cambodian ports have made it clear that they are well aware of their social responsibilities to their community. This is evident through their awareness of their significant roles in the social development of their community through the creation of jobs⁷⁶, and the inclusion of “poverty alleviation” particularly mentioned as part of their mission⁷⁷, as well as the various initiatives and infrastructure projects they have towards the community. These initiatives have also spurred good relations with the local government in their areas of operation
- Labour practices is also strong in Cambodian ports through its opportunities for women to achieve high positions in the organization (Deputy Director); the provision of decent conditions of work (wages, hours of work, weekly rest, holidays); and health and safety at work through their implementation of PSHEMS⁷⁸.
- Cambodian ports are also particularly open to assisting in combatting HIV/AIDS and other diseases through their cooperation in the GIZ study on “Assessing the Needs for a Combined Tuberculosis and HIV Prevention and Information Campaign”⁷⁹.
- Global partnerships are also strongly supported in the ports as evidenced by their openness and collaboration with international aid organizations such as JICA, GIZ, and other international organizations, and the encouragement for active participation and capacity building of their employees in the activities of these partnerships.
- The social responsibility practices of the Cambodian ports contribute to many of the Millennium Development Goals (MDG) of the United Nations⁸⁰, particularly: eradicate extreme poverty and hunger; achieve universal primary education; promote gender equality and empower women; combatting of HIV/AIDS and other diseases; developing a global partnership.

⁷⁶ Phnom Penh Autonomous Port (n.d.). *CEO Greeting*. Retrieved August 8, 2013, from http://www.ppap.com.kh/about_us/ceo_greeting.htm

⁷⁷ Sihanoukville Autonomous Port (n.d.). *Mission*. Retrieved August 8, 2013, from <http://www.pas.gov.kh/beta/site/menulistdetail/48.html>

⁷⁸ *Port Safety, Health and Environmental Management System (PSHEMS) Development and Implementation Guideline | PEMSEA.org*. (n.d.). Retrieved from <http://www.pemsea.org/publications/port-safety-health-and-environmental-management-system-pshems-development-and-implement>

⁷⁹ GIZ Sustainable Port Development in the ASEAN Region (2012). *Assessing the needs for a combined Tuberculosis and HIV prevention and information campaign*

⁸⁰ United Nations (n.d.). *Millennium Development Goals*. Retrieved from <http://www.un.org/millenniumgoals/>

3. Malaysian Ports

3.1 Overview of the Malaysian Port Sector

Ports in Malaysia can be classified as Federal Ports and State Ports. Apart from these big ports, there are other minor ports and landing places which come under the purview of the Marine Department.



Source: www.portsworld.com

i. Federal Ports

The Federal Ports, which are under the jurisdiction of the Ministry of Transport, are further divided into major and minor ports. There are at present seven major federal ports:

- i. Klang Port (Selangor)
- ii. Penang Port (Penang)
- iii. Bintulu Port (Sarawak)
- iv. Johor Port (Johor)
- v. Tanjung Bruas Port (Melaka)
- vi. Kuantan Port (Pahang) and
- vii. Kemaman Port (Terengganu)

The Federal Ports were established as Federal Statutory Bodies. The Penang Port was established under the Penang Port Commission Act 1955, the Bintulu Port under the Bintulu Port Authority Act 1981 and the other Federal Ports under the Port Authorities Act 1963.

Under the Port Privatisation Act 1990, the operations of the Federal ports were either corporatised or privatised to private operators with the port authorities assuming a new role as the regulatory body of the private port operators⁸¹.

ii. State Ports

Ports in Sabah and Sarawak are State Ports under State Statutory Bodies. Ports in Sabah are established under the Sabah Port Authority Enactment 1967 whilst ports in Sarawak are established under the Sarawak Port Authorities Ordinance 1961.

In Sabah, ports have been privatized under one private operator, Sabah Ports Sdn Bhd with the Sabah Port Authority as the regulator.

Ports in Sarawak are operated by port authorities, namely Kuching Port Authority, Rajang Port Authority and Miri Port Authority which own and operate the ports.⁸²

iii. The Government's Policy for the Port Sector

The Malaysian Government has adapted a supply-driven policy to retain and enhance the competitiveness of its ports. The policy consists of the following approaches:

- (i) Supply Driven – provision of ample capacity in ports to ensure that there is no congestion and zero waiting time for ships. Some of the main strategies pertaining to this policy are as follows:
 - Development and expansion of port facilities
 - Enhancing the utilization of existing port facilities
 - Improving efficiency and productivity of port operations
 - Enhancing port capacities
 - Promotion of multimodes
 - Port privatization
 - Development and improvement of ancillary services
 - Development and improvement of land-side transportation
 - Enhance and promote automation and use of improved technologies in port operations and Electronic Data interchange (EDI)
- (ii) Load Centering – Since 1993, Port Klang has been made the national load centre and the regional transshipment centre. Implicitly, cargo from all other Malaysian Ports, acting as feeder ports, would be consolidated where possible through Port Klang. Strategies outlined in this plan include:
 - Establishment of close linkages with regional ports, as well as other ports in Sabah and
 - Sarawak through provision of feeder services at reasonable rates
 - Supply of efficient facilities and provision of the commercial zone
 - Improved back-up facilities
 - Volume discount

⁸¹ Maritime Institute of Malaysia (n.d.). *Malaysian Ports*. Retrieved from www.mima.gov.my/mima/web-links/malaysian-ports/

⁸² Maritime Institute of Malaysia (n.d.). *Malaysian Ports*. Retrieved from www.mima.gov.my/mima/web-links/malaysian-ports/

- Foreign equity participant has been allowed for specific terminal operations⁸³

iv. *Major Developments in the Malaysian Port Sector*⁸⁴

In the last three decades, the port industry in Malaysia has undergone many facelifts including embarking on privatization programs of its main ports throughout the country. These programs are significant for the Malaysian economy to be competitive in the region. The government is aware that if Malaysia wants to be a global player, it is crucial for Malaysian ports to operate as business units to ensure fast turnaround times and to reduce waiting time for vessels.

The government's policy on ports focuses on being supply-driven and enhancing the utilization of ports through improving efficiency and productivity of port operations; port privatization; development and improvement of ancillary services; and development and improvement of land-side transportation.

The Malaysian Shipping and Port Industry report states that in 2009 95% of Malaysian trade is seaborne and contributed approximately RM 988 billion (USD 308.46 Billion) to the national trade value. The government has projected by 2020 that the logistics sector will contribute 12.1 % to country's GDP.

The 3rd Industrial Master Plan, 2006-2020 outlines the industrial strategies and policies as part of the country's continuing efforts towards realizing its objective of becoming a fully developed nation by 2020. The third Industrial Master plan is aiming to achieve long-term global competitiveness through transformation and innovation of the manufacturing and services sectors. The Master plan includes strategic objectives for the port sector to increase competitiveness and to act as a global player.

v. *Johor*

Known as the "Southern Gateway", Johor is the southernmost state in Peninsular Malaysia being south of Malacca, Negeri Sembilan and Pahang and north of Singapore from which it is separated by the Straits of Johor. Johor is the second largest state (19,210 sq km) and also one of the most developed state in Peninsular Malaysia.⁸⁵ Johor's population, estimated at 3.4 million in 2013, is projected to grow to 4.4 million by 2020.

Johor state has two major private ports: Pelabuhan Tanjung Pelepas and Johor Port. Johor Port Authority oversees the port regulatory matters of these terminals. Under the privatization agreement, these private terminals will have to pay a levy to Johor Port Authority for the land rental used for port operations. Being a separate business organization, Johor Port is required to comply with all the business legal requirements prescribe under the Malaysian law. Wherever necessary, Johor Port Authority will

⁸³ Malaysian Investment Development Authority (MIDA) (n.d.). *Sea Ports*. Retrieved from <http://www.mida.gov.my/env3/index.php?page=sea-ports>

⁸⁴ Sustainable Port Development in the ASEAN Region Project, GIZ (2012, May). *Initial Status Review: Johor Port Berhad*. Bangkok, Thailand

⁸⁵ Johor State Investment Center (n.d.). *Homepage*. Retrieved from <http://jsic.com.my/cgi-bin/webman/webv6/index.cgi>

provide support to Johor Port Berhad to align themselves with the Port and Marine operations requirements both at national and international legal requirements.

vi. Sabah⁸⁶

Sabah, the second largest state in Malaysia, is located on the northwestern tip of Borneo and shares a border with the Indonesian province of Kalimantan. Agriculture is the most important sector in Sabah's economy, contributing about 24.2% to the state's GDP. The state's agriculture sector remains dominated by the cultivation of oil palm. Presently, the land area planted is approximately 1.244 million hectares or 88.2% of the total agricultural land. Other major agricultural commodities exported include crude palm oil, cocoa and rubber. Major non-agricultural commodities include crude petroleum and plywood.

The Sabah Development Corridor, launched in 2008 was initiated primarily to accelerate the growth of the Sabah economy and to bridge the rural-urban divide while ensuring sustainable management of the state's resources. One of the dual objectives of the SDC is to accelerate development in less developed districts by creating economic opportunities, improving infrastructure and amenities to narrow the rural urban gap.

The "Halatuju" – a document on the strategic imperatives to bring development and progress to Sabah - is the principal guide for the state's overall economic, social and political development. The document is crafted to reinforce past and current measures aimed at expanding overall productivity and improving on capabilities for regional tourism. It puts emphasis on the tourism, agriculture, and the manufacturing sectors as the primary engines of growth and development.

⁸⁶ Retrieved 26 July 2013, from Malaysia, Brunei Darussalam-Indonesia-Malaysia-The Philippines East ASEAN Growth Area (BIMP-EAGA) <http://www.bimp-eaga.org/Pages/Content.aspx?cid=34>

3.2 Johor Port Berhad

Johor Port is located in Pasir Gudang in the southeast of the state of Johor in Peninsular Malaysia. Built by the Johor Port Authority (JPA) in 1977 and operated by the Johor Port Berhad (JPB), it is the first port in Johor and is designed as a multi-purpose port that caters to practically all types of cargo.

It is the first port in Malaysia to be located within a free trade zone. Johor Port's warehouses are exempted from customs duties. Duty is only payable when the cargo is released from the warehouse area for local consumption.

In January 1993, Johor Port Sdn Bhd, a fully government-owned company, took over all port facilities and services from JPA. The port was fully privatised in August 1995 to Seaport Terminal (Johor) Sdn. Bhd. which became the holding company of JPB which is wholly owned by MMC Corp Bhd.

Johor Port is viewed as a catalyst to Johor's Industrial Growth as it currently supports the needs of approximately 28 industrial areas in Johor.⁸⁷ Johor Port's annual throughput has increased to 32.9 million freight weight tonnes (FWT) for 2012 in comparison to 32.5 million FWT achieved in the previous year. Collectively, both Johor Port and the Port of Tanjung Pelepas (PTP) accounted for 42% of the country's total container throughput, thus maintaining MMC's position as the country's leading container port operator.⁸⁸

i. Port Facilities

With 5,500 ground slots and an annual capacity of 1,000,000 twenty-foot equivalent units (TEU), the terminal's equipment and facilities include:

- 7 gantry cranes, 5 of which are Post-Panamax;
- 19 rubber-tyred transfer cranes;
- 4 reach stackers;
- 46 prime movers;
- Dedicated rail depot connected to nationwide rail network, Singapore and Thailand;
- 70,000 sq. metres of warehouse space for containerised cargo.

The port has a fresh water capacity of 1.9 million litres. Water supply to ships is through hydrants on the wharves and on the breasting island of the oil jetty.

Since its inception, Johor Port has been handling liquid bulk cargo, and provides facilities for two different types of liquid bulk cargo:

Edible oils, primarily for palm and soya bean oils: The port's network of pipes allows liquid bulk cargo to be conveyed directly to tank farms, significantly increasing the efficiency of loading and unloading operations.

⁸⁷ Albar, Syed Omar (2013, May). *JohorPort: Welcome to "The Gateway of the South"*. Powerpoint presented at the meeting of GIZ and Johor Port Berhad, Johor, Malaysia.

⁸⁸ MMC Corporation Berhad (2012). *Annual report 2012*. Retrieved from http://www.mmc.com.my/pdf/MMC_Annual_Report_2012.pdf

Johor Port's bulk and break bulk (general cargo) facilities include berths with an overall length of almost 2.4 km, with nearly 200,000 sq. metres of storage facilities. The berth offers 13.8 metres natural depth, easily accommodating dry bulk carriers up to 60,000 metric tons deadweight. Its gantry crane and the Impsamade level-stuffing crane can handle 800 tons per hour. The other two quay-side cranes are capable of handling 400 tonnes per hour.

Johor Port's terminal has 72,000 tonnes of covered storage space for edible cargo, and 87,000 tonnes of covered space for non-edible products. Its conveyor systems are supported by rail-mounted quay cranes that allow berthed ships to be connected directly to its user warehouses. Supporting the port's extensive warehousing facilities are transit sheds and open storage areas that offers customers a choice in logistics options.

ii. Johor Port's Social Responsibility Initiatives

Johor Port has already embarked on a variety of CSR initiatives within their organisation. The extent of Johor Port's social responsibility initiatives was determined using the International Organization for Standardization's Guideline for Social Responsibility (ISO 26000).

Below are the results of the research, interview, and walk-through that were conducted at the Johor Port. A list of the people interviewed appears in **Annex I**.

Organizational Governance

Social responsibility issues can represent significant risks and opportunities to company performance. Oversight of social and environmental risk management and CSR performance therefore need to be incorporated into organizational governance to ensure that long term shareholder and stakeholder interests are protected and promoted.

Johor Port's leadership commitment to social responsibility was demonstrated during the meeting with the researchers as it was well-attended by the General Manager (Container Department), the Head of the Occupational Safety and Health section as well as a representative from the Corporate Communications department.

Although Johor Port has yet to develop a CSR-specific policy/ mission/ vision, the organization has presented a CSR plan for a "Green Vision towards a Sustainable Port" during the 6th Regional Project Planning Meeting and Management Training organized by GIZ in November of 2012 in Germany. This vision includes establishing a Green Port Policy and a commitment to increase the usage of alternative energy to 30% by 2020.⁸⁹

Another aspect of organizational governance for which ISO 26000 proposes as an indicator of commitment to social responsibility is that an organization's behaviour should be based on the values of honesty, equity and integrity which imply a concern for people, animals and the environment and a commitment to address the impact of its activities and decisions on

⁸⁹ Sustainable Port Development in the ASEAN Region, GIZ (2012, November) *Summary Report 6th Regional Project Planning Meeting and Management Training*. Germany

stakeholders' interests. Johor Port's actively promotes its ethical behavior by identifying and



publishing its core values on its website which includes a pledge to sustainable development⁹⁰.

Human Rights

It is important for organizations to be cognizant of the basic human rights for which those working for and on behalf of the organization are entitled to. This includes, but is not limited to, the right to work, the right to the highest attainable standard of health and also the right to education.

Johor Port's appreciation for the importance of human rights issues is demonstrated by prioritising education and community when identifying CSR activities for the ports.

In the interest of ensuring that the surrounding community benefits from the port's growth and continued business excellence, Johor Port prioritize hiring personnel from the local community as part of their hiring scheme.

In addressing rights to education and ensuring that its employees' skills are continuously upgraded, all departments within the port plan for and organise a variety of trainings within their areas of responsibility. In addition, Johor Port collaborates with the Maritime Institute of Malaysia to undertake various training programs.

There is an existing workers union in Johor Port which exhibits the organization's acknowledgment and compliance to the Malaysian constitution which guarantees the rights of all Malaysians to form and join trade union. Because the freedom to form unions is a human right, the port has an obligation to uphold and defend it like other human rights, including freedom of speech and religion.

Effective grievance mechanisms play an important role to protect human rights and as such, the availability of a union aptly serves as this mechanism.

⁹⁰ Johor Port Berhad (n.d.). *Mission, Vision & Core Values*. Retrieved from <http://www.johorport.com.my/about/our-vision-value>

Johor Port ensures that its workers are accorded a safe and healthy place to work in and this assurance is formalised in the Safety, Health and Environment (SHE) Policy which is available on its website⁹¹ and is also a regulatory requirement as per the Malaysian Occupational Safety and Health Act 1994 for any organization which has 5 or more staff in its company.

Labour Practices

ISO 26000 defines Labour Practices as an issue which encompass all policies and practices relating to work performed within, by or on behalf of the organization, including subcontracted work. The pertinent aspects of Labour Practices for ports include employment and employment relationships, health and safety at work, conditions of work and social protection and also, social dialogue.

With regard to employment and employment relationships, ISO 26000 is interested to know how ports determine that all work is performed by women and men who are legally recognized as employees or who are legally recognized as being self-employed.

Organizations in Malaysia are required to comply with the Employment Act 1955 which includes the requirement to provide a contract of service which is defined as any agreement, whether oral or in writing and whether express or implied, whereby one person agrees to employ another as an employee and that the other agrees to serve his employer as his employee.⁹² This contract of service defines the employment relationship.

During the interview, it was informed that a policy complying with the requirements of the OHSAS 18001 Occupational Safety Management System is being drafted and will be finalised towards the end of 2013. This policy will build on the existing SHE policy already developed which is available in both English and the national language, Bahasa Malaysia.

Johor Port has also established a Safety Department which ensures Johor Port's premises encapsulating the port community, assets, users, workers, and visitors are free from any security and safety threats. PSD also handles Fire and Rescue Operations⁹³. In addition, Johor Port:

- Is ISPS-compliant,
- Is a member of the Pasir Gudang Emergency Mutual Aid,
- Conducts regular audits of the Hazardous Cargo Premises.

Additional policies which Johor Port has established at work to safeguard the employees are the Drug and Alcohol⁹⁴, and the Stop Work⁹⁵ policies.

⁹¹ Johor Port Berhad (n.d.). *Safety, Health and Environment (SHE) Policy*. Retrieved from http://www.johorport.com.my/sites/default/files/she_policy.pdf

⁹² Malaysia. *EMPLOYMENT ACT, 1955*. (n.d.). Retrieved July 28, 2013, from <http://www.ilo.org/dyn/natlex/docs/WEBTEXT/48055/66265/E55mys01.htm>

⁹³ *Safety | Johor Port Berhad*. (n.d.). Retrieved from <http://www.johorport.com.my/advantage/safety>

⁹⁴ Johor Port Berhad (n.d.). *Drug and Alcohol Policy*. Retrieved from http://www.johorport.com.my/sites/default/files/drug_policy.pdf

⁹⁵ Johor Port Berhad (n.d.). *Stop Work Policy*. Retrieved from http://www.johorport.com.my/sites/default/files/stop_work_policy.pdf

As per the ISR Report for Johor Ports developed by GIZ, detailed joint terminal audits (e.g. with BASF) are carried out involving the port safety department and tenants handling dangerous goods.

The Environment

Environment issues within the context of ports mainly relate to air and water quality as well as waste management.

Though Johor Port has not yet implemented an environmental management system, the organization has put into place air and water quality monitoring which began in 2012.

The practice of recycling and switching off lights in unoccupied areas/ rooms are also encouraged throughout the port. Johor Port as an organization also participates in observing Earth Hour annually.

With respect to waste management, arrangement for collection of ships waste is made by the ships agent. It is the responsibility of the Safety Department to monitor the vendors/ waste collectors and this is done by checking their license at access and exit from the port.

All facilities in Malaysia that generate scheduled (hazardous) wastes will have to comply with the Scheduled Waste Regulations 2005. Compliance to the requirements of this regulation falls under the purview of the OSH section and the Safety Department who collect and archive certificates respectively.⁹⁶

Fair Operating Practices

The act that best illustrates that Johor Port observes fair operating practices is in the establishment of an Anti-corruption Handbook and Whistleblower Policy which allows any port personnel to highlight their concerns anonymously regarding a wrongful activity that they are aware of happening within the organisation.⁹⁷

Port tariffs are regulated by the Johor Port Authority and these are available on the Johor Port's website.⁹⁸

Consumer Issues

Johor Port views consumer issues, particularly the accuracy of information to their consumers as well as the minimization of risks for any individual or organization that uses the port's services, as a significant element of its social responsibility initiatives.

The port publishes their tariff rates on their website and also provides an email address should their consumers require additional information pertaining to the tariff rates.

⁹⁶ Sustainable Port Development in the ASEAN Region, GIZ (2012). *Johor Port Initial Status Review*. Bangkok, Thailand

⁹⁷ *Whistleblower Policy | Johor Port Berhad*. (n.d.). Retrieved from <http://www.johorport.com.my/resource/whistleblower-policy>

⁹⁸ *Tariff & Rates | Johor Port Berhad*. (n.d.). Retrieved from <http://www.johorport.com.my/resource/tariff-rates>

As presented in the section, Labour Practices, above, the on-going activities of Johor Port's Safety Department is critical in ensuring that risks for any of their customers are minimized.

Community Involvement and Development

Johor Port views its responsibility to the community surrounding its facility seriously and initiates town hall meetings on an annual basis which allows the port to strengthen their relationship with the community and also as a channel for which the community may share their grievances or concerns with the port. Aside from this planned annual town hall meetings, Johor Port is also open to unscheduled mini-town hall meetings should it be necessary which indicates the ports willingness to ensure that the community's concerns are continuously addressed.

3.3 Port of Tanjung Pelepas (PTP)

The Port of Tanjung Pelepas (PTP) is a port for container ships located on the eastern mouth of the Pulai River in south-western Johor, Malaysia. PTP is a naturally sheltered deep water port and is near the Malaysia-Singapore Second Crossing. One of PTP's key advantages is that it is a mere 45 minutes from the confluence of the world's busiest shipping lanes. PTP's berths are set in 15-19 meters of naturally deep waters with a wide approach channel. A turning basin 600 meters wide allows the easy maneuvering of even the largest container vessels.

Receiving its maiden vessel on 10 October 1999 on a three-month trial operation, it set a world record as the fastest growing port with 1 million TEU of containers handled after 571 days of operations.



i. Port Facilities

The current port offers 12 berths totaling 4.32km of linear wharf length, and a 1.8 million square meters container yard area which can accommodate around 200,000 TEU in storage space at any one time, 38,000 ground slot and 4,000 reefer points.

The berths are serviced by 44 Super Post-Panamax quay cranes, 11 of which have a 22 rows outreach and dual hoist 40' pick, 30 with 22 rows outreach and twin 20' lift. The total capacity of the port today is over 8.4 million TEU per year with 148 rubber tyred gantry cranes and 390 Prime Movers operates around the container facility.

Besides being connected directly to the main Malaysian expressways, the port is also linked to rail access which extends into Southern Thailand with a 4 track rail terminal. A 14-lane gate terminal and 6 lanes FTZ (Free Trade Zone) ensure a smooth turnaround time for import and export containers. The port development area consists of 2,000 acres for the port terminal and 1,500 acres for the free trade zone.

The entire master plan of the port envisages over 95 berths with 150 million TEU terminal handling capacity making it the only port in South East Asia with long term potential to handle increasingly growing container traffic. The berths are expected to extend from the mouth of the Pulai River to Malaysia-Singapore Second Link.

Smartrail System - Rubber tyred gantry yard cranes are retrofitted with SmartRail (advanced satellite-guided automatic steering and position determination system) virtually eliminating human error by using the Differential Global Positioning System for pinpoint positioning accuracy to avoid misplaced containers and reduce waiting time for loading discharge.

Container Management System - Express and Sparcs from Navis, the core system in PTP is utilised for yard & vessel planning and for facilitating precise container movement.

Gate Control and Monitoring System - PTP's Gate Control and Monitoring System ensures smooth flow for all gate transactions and intergrates Customs Gate Control Systems with PTP's Container Management Systems to maximize efficiency.

Port Radar Systems - Port Radar Systems ensure safe and efficient management of all vessel traffic movement at PTP while enhancing effectiveness during emergency situations.

Vessel Clearance System - The Vessel Clearance System allows paperless declarations to various governmental agencies and online approval processes.

Safety and Security - PTP's Vessel Tracking System known as Radar Information Processing and Display provides vital information such as the status of every container in the port at any given time to the Marine Department for smooth traffic flow and added safety.

ii. Port of Tanjung Pelepas' Social Responsibility Initiatives

PTP believes that good corporate citizenship means good social responsibility. The port's commitment to social responsibility can be seen predominantly through their contributions to society and environmental conservation. In addition, their philosophy of good corporate citizenship extends throughout the organization - from top management to lower level employees.

Below are the results of the research, interview, and walk-through that were conducted at the PTP. A list of the people interviewed appears in **Annex I**.

Organizational Governance

Social responsibility issues can represent significant risks and opportunities to company performance. Oversight of social and environmental risk management and CSR performance therefore need to be incorporated into organizational governance to ensure that long term shareholder and stakeholder interests are protected and promoted.

It is detrimental that a port's behavior should be based on the values of honesty, equity and integrity which translate to showing concern for people, animals and the environment including commitment to addressing the impact of its activities and decisions on the interest of their stakeholders.

PTP's 5 Core Values:

- ➔ **Focus on Customers**
We always strive to exceed our customers' expectations
- ➔ **Deliver Results**
We are driven by results through innovation and continuous improvements
- ➔ **Value People**
We work as a team, respect and care for one another
- ➔ **Uphold Integrity**
We demonstrate integrity in our words and actions
- ➔ **Promote Sustainable Development**
We care about Health, Safety and the Environment

In this respect, PTP demonstrates this ethical behavior through its 5 Core Values which is published on its website and can also be seen on this page⁹⁹.

PTP's achievement in obtaining the ISO 9001 Quality Management System, ISO 14001 Environmental Management System and OHSAS 18001 Occupational Safety and Health Management System is a testament to the port's mission and vision "to be the preferred port of choice in South East Asia" and "to provide unrivalled port services to the global market". Undertaking the immense task of pursuing and subsequently gaining the triple certification which requires at the very least, significant human and monetary investment provides evidence that the management places social responsibility at the forefront of its decision-making practices.

Human Rights

An organization operating responsibly must also have concern and respect for the rights of those working for it and on its behalf. This includes, but is not limited to, the right to work, the right to the highest attainable standard of health and also the right to education.

An example of PTP's efforts towards supporting human rights can be seen in its interactions with their client, IKEA through the IKEA (IWAY) Principle. The IKEA (IWAY) Way Principle¹⁰⁰ on Purchasing Home Furnishing Products, (IWAY) is based on international conventions and declarations. It includes provisions based on the United Nations Universal Declaration of Human Rights (1948), the International Labour Organisation Declaration on Fundamental Principles and Rights at Work (1998), and the Rio Declaration on Environment and Development (1992). It covers working conditions, the prevention of child labor, the environment, responsible forestry management and more. Suppliers are responsible for communicating the content of the IKEA code of conduct to co-workers and sub-contractors and ensuring that all required measures are implemented at their own operations.

PTP ardently supports the right to work of the surrounding community and reflects this in its hiring process whereby those from the surrounding community are prioritized if they apply for a position within the port.

Labour Practices

Issues within the scope of labour practices which would be germane to PTP's social responsibility include employment and employment relationships, conditions of work and social protection, available channels for social dialogue, health and safety at work as well as the provision of human development and training in the workplace.

The contract of service stipulated in the Employment Act 1955 is the method in which the port defines the employment relationship. It is a legal requirement for all organizations operating in Malaysia to have a contract of service for all personnel working for it.

PTP has been certified with the OHSAS 18001 OSHMS since 2010 and therefore has undertaken hazard identification and risk assessment for all port activities followed by developing risk

⁹⁹ *Pelabuhan Tanjung Pelepas Sdn Bhd.* (n.d.). Retrieved July 28, 2013, from <http://www.ptp.com.my/vision.html>

¹⁰⁰ The IKEA Way, Retrieved July 28, 2013 from http://www.ikea.com/ms/en_US/about_ikea/the_ikea_way/

control plans. As an OHSAS 18001-certified port, PTP also has relevant management procedures and standard operation procedures designed to manage the significant risks in the port.

PTP's commitment to health, safety and security is outlined in their Health, Safety, Security and Environment Policy which is available from PTP's website¹⁰¹.

Also, PTP has in place, the following safety and security measures:

- ISPS-compliance
- Participation in the US Customs "Container Security Initiative"
- 24-hour in-house security personnel with auxiliary police powers
- Restricted and controlled access into the terminals
- 24-hour emergency response team

Security initiatives PTP has planned for the future include but is not limited to:

- Secure Freight Initiative
- Free from natural disasters (flood, earthquake, etc)

Gender equality in PTP is an issue for which the port is continuously improving. Currently, the port has 1800 workers with a ratio of 4:1 (men: women) which is mostly due to the fact that a majority of the tasks conducted by port workers require manual labor for which men are more suitable. Women occupy about 13% of top management positions. Some jobs in the terminals require specifically 'male' workers.

The Environment

As part of the implementation of ISO 14001, PTP has identified its environmental aspects and impacts and has also developed environmental objectives, targets and programmes.

As a testament to PTP's commitment to championing environmental issues, the port was named winner of the 2012 Frost & Sullivan Asia-Pacific Green Terminal Operator of the Year Award. The award is part of the Frost & Sullivan Annual Best Practices Awards which identify exemplary achievements within a multitude of industries and functional disciplines¹⁰².

PTP has been diligent in reducing its environmental and energy footprints by employing sustainable business processes. In a press interview in 2012, the Deputy Chief Executive Officer, shared that "With more than 8,000 vessel calls and handling over 7.5 million TEUs last year, and further increases this year, the port's energy demands are considerable. So, reducing the amount of diesel fuel consumed and lowering CO emissions continue to be a high priority."

In going forward, PTP has plans to help the environment by combating pollution and reducing waste. Also, the port is intent on reducing inefficient energy use and to practice recycling where possible as well as continuously investing in new equipment and implementing new techniques to make operational practices more planet-friendly.

Combining both care for the environment as well as to support environmental awareness, PTP in collaboration with the Malaysian Nature Society Johor published a picture book titled the

¹⁰¹ Port of Tanjung Pelepas (n.d.). *Health, Safety, Security and Environment*. Retrieved July 28, 2013, from <http://www.ptp.com.my/hsse.htm>

¹⁰² *Port of Tanjung Pelepas wins Asia-Pacific Green award* | MOLE.my. (n.d.). Retrieved July 28, 2013, from <http://www.mole.my/content/port-tanjung-pelepas-wins-asia-pacific-green-award>

“Echoes of Life” in 2010. The book reveals the natural wonders of Sungai Pulai Forest Reserve, Pulau Merambong and Merambong seagrass meadow, all found in south-west Johor¹⁰³.

Acknowledging that air quality in ports is a significant environmental aspect, PTP conducts regular air emissions monitoring at its site and has also begun converting its RTGs (10 – 15%) to electrical-RTGs (eRTGs).

Fair Operating Practices

Anti-corruption and fair competition are among some of the issues for which ISO 26000 prescribes in the area of fair operating practices. PTP has established a Whistleblower Information System whereby *disclosure can be made in writing or face-to-face conversation or hotline interview or other ways in which the information can be transmitted*¹⁰⁴.

PTP’s tariff rates are also available JPA’s website¹⁰⁵ and can be accessed by the public which speaks to the spirit of fair competition.

Also, in the spirit of encouraging fair competition, PTP has put in place, an impartial selection process for customers seeking to lease land in the free zone area which PTP manages.

Consumer Issues

PTP is equipped with Customs Scanning Machine for goods bound for the United States which is viewed as a means of ensuring its consumer (in this case, the United States) that it places significant importance on goods entering the country.

Community Involvement and Development

PTP prides itself as ‘a port that cares’ and seeks to ensure that it provides as much assistance to the community in which it operates. One of the ways it does this is through education as PTP provides career talks at local schools, sponsors back-to-school aid, establishes an education fund for the Orang Asli community and also distributes computers for schools in need. Aside from these, PTP also distributes the Educational Supplement of one of the national newspapers¹⁰⁶.

PTP also seeks to involve the community through various activities i.e. breaking fast with the local community during the month of Ramadan and also through the distribution of food to villages nearby. Monetary donation to the local community has been ongoing.

¹⁰³ Archives | The Star Online. (n.d.). Retrieved July 28, 2013 from <http://www.thestar.com.my/story.aspx?file=%2f2010%2f7%2f6%2flifebookshelf%2f6501203>

¹⁰⁴ Pelabuhan Tanjung Pelepas Sdn Bhd. (n.d.). Retrieved July 28, 2013, from <http://www.ptp.com.my/whistleblower.html>

¹⁰⁵ Lembaga Pelabuhan Johor - Port Tariff. (n.d.). Retrieved July 28, 2013, from <http://www.lpj.gov.my/index.php/en/tanjung-pelepas-port/79>

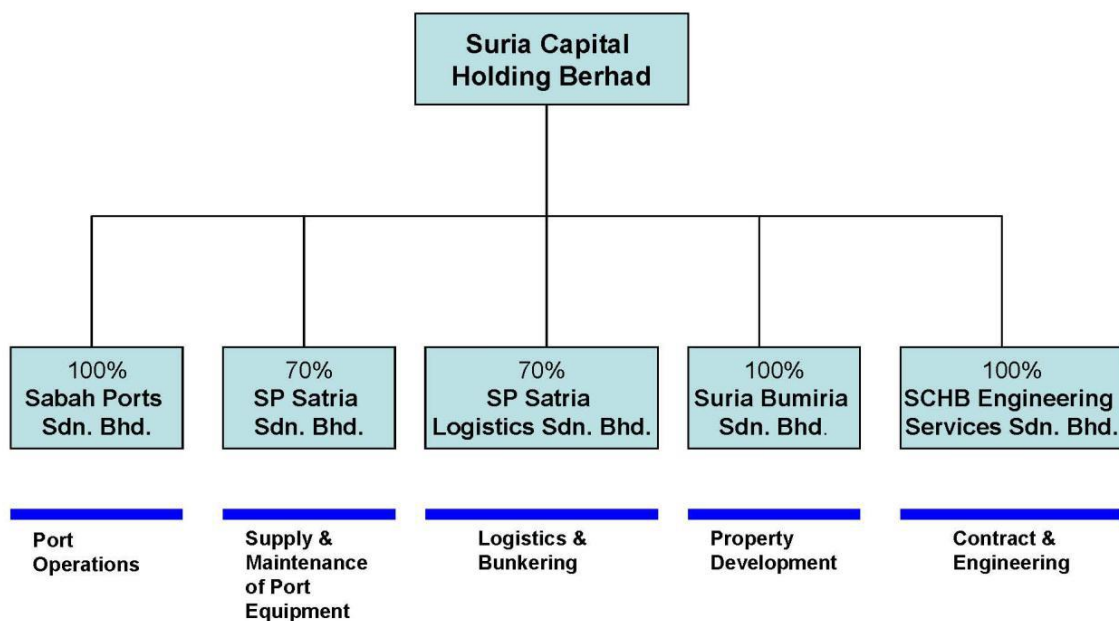
¹⁰⁶ Abd. Latiff, A.R. (2013, May). *Port of Tanjung Pelepas presentation for GIZ*. Powerpoint presented at the meeting of GIZ and Port of Tanjung Pelepas, Johor, Malaysia

3.4 Sabah Ports Sdn. Bhd. (SPSB)

Sabah Ports Authority is a Statutory Corporation, which was established in 1968 by the Sabah Port Authority Enactment 1967.

The Sabah State Government on 6th June 2001 approved in principle the injection of the port operations and identified movable assets of Sabah Ports Authority into Suria Capital Holdings Berhad, a public-listed company on the Kuala Lumpur Stock Exchange. This was done through a subsidiary company (NEWCO) to be incorporated by Suria Capital to assume the port undertakings. On 5th June 2002, the Sabah State Government approved the terms and conditions of the proposed privatisation. The privatisation of Sabah ports was approved at Suria Capital's Extra Ordinary meeting on 20th June 2003.

Sabah Ports Sdn. Bhd. (SPSB) was eventually established as a fully-owned subsidiary of Suria Capital Holdings Bhd., and it officially took over the management of all port operations from



Sabah Ports Authority on 1st September, 2004¹⁰⁷

¹⁰⁷ *About Us / SABAH PORTS*. (n.d.). Retrieved July 26, 2013, from <http://www.suriagroup.com.my/spsb/about-us/>

Suria Capital Holdings Berhad as a major player in the privatization program for Sabah Ports has developed its vision to provide an efficient port management system. Some of the initiatives taken to enhance their management systems are:

1. Implementation "5S" system in the work place
2. Implemented Quality Management System
3. Review of SHE Management

SPSB manages 8 ports in Sabah which are located in various strategic locations. Besides containers, dry bulk cargo and general cargo, SPSB also handles a substantial amount of liquid cargo, mainly palm oil. Plans are underway to rationalize the port operations statewide through hubbing to create economies of scale.

Sapangar Bay Container Port, which has taken over the container operations from Kota Kinabalu Port, is positioned as the premier transshipment hub for the BIMP – EAGA region. Kota Kinabalu Port will remain as a general cargo port. Sapangar Bay Oil Terminal is a dedicated terminal for the handling of refined petroleum products and liquid chemical serving the West Coast of Sabah.

The East Coast Ports of Sandakan, Tawau and Lahad Datu handle palm oil and related products such as fertilizer and palm kernel, in addition to containers and general cargo. Kunak Port handles palm oil as well as palm kernel exports.

Sapangar Bay Container Port (SBCP)

The Sapangar Bay Container Port (SBCP) is one of the newer ports in Sabah, and has only been in operation since 2007. Nestled next to Kota Kinabalu, SBCP is a 30-minute drive from the Kota Kinabalu International Airport. This ideal location enables Sapangar Port to be positioned as the premier transshipment hub for the Brunei Darussalam-Indonesia-Malaysia-Philippines East ASEAN Growth Area (BIMP-EAGA)¹⁰⁸

The organizational structure of SPSB comprises a Chairman, Board of Directors, a Managing Director as a Chief Executive Officer and supported by a Chief Operating Officer and senior managers heading the various divisions.

i. SBCP Facilities

The port contains 5 berths, three outer berths and two, inner. Their storage facilities consists of a container freight station measuring 4,500 square meters, 2,600 container ground slots, and 200 reefer points.

¹⁰⁸ BIMP-EAGA was launched in 1994 as a cooperation initiative by Brunei Darussalam, Indonesia, Malaysia, and the Philippines, all of which are member-countries of the regional Association of Southeast Asian Nations (ASEAN). The objective behind the creation of BIMP-EAGA is to accelerate economic development in the four countries' "focus areas" which, although geographically distant from their national capitals, are in strategic proximity to each other, in one of the world's most resource-rich regions. The BIMP-EAGA initiative is market-driven, and operates through a decentralized organization structure involving the four governments and the private sector (<http://www.bimp-eaga.org/Default.aspx>)

Berthing Facilities

- 500 meter long (outer berth) and 400 meter long (inner berth)
- 12 meter water depth alongside
- capability to handle container vessels of up to 45,000 DWT

Storage Facilities

- Back-up area of 22.5 hectares
- A 15 hectares container stacking area
- A 4,500 m2 Container Freight Station
- Maximum annual throughput of 500,000 Teus.

Cargo Handling Facilities

- State-of-the-art handling facilities including Gantry Cranes, Mobile Harbour Cranes, Reach Stackers, Rubber-Tyred Gantries, Straddle Carriers, Empty Container Handlers, Multi Trailers and Terminal Tractors.

SPSB indicated that it would increase its container-handling equipment fleet at Sapangar Bay Container Port (SBCP), Sandakan Port and Tawau Port. This includes one additional unit of ship-to-shore gantry crane at SBCP to the existing two units available at the port.¹⁰⁹

Organizational Governance

Decisions pertaining to social responsibility or corporate social responsibility (CSR) in SPSB are driven by-SPSB's Group Managing Director. The Group Managing Director determines the CSR criteria which are then communicated to SPSB's Customer Relations Department which is responsible for identifying suitable activities that meet the criteria.

SBCP's commitment towards social responsibility is evident via the budget-setting specifically to fund social responsibility initiatives.

Human Rights

SPSB believes that everyone has the right to a clean living environment. Therefore, when SBCP was established in its current location, the organisation undertook a relocation plan for the villagers previously living on that land. The villagers were relocated to land directly across their original village. In addition, SPSB built a mosque for the villagers within the boundary of their village. The maintenance of the mosque is managed by SPSB. Further to this, SBCP has also put up fencing between the village and the main road adjacent to the village to ensure the safety of the villagers as it has been observed that heavy vehicles traverse this main road at a high speed.

Education is an important social responsibility initiative for SPSB as they champion this issue in the relationships it establishes with the local universities. The activities carried out by SPSB that supports this include:

¹⁰⁹ Sabah Ports to invest RM229mil, Bintulu Port News, Retrieved on 26 July 2013, <http://www.bintuluport.com.my/News-Details/Newsroom/Latest-News-Release/Sabah-Ports-to-invest-RM229mil/>

- Partial sponsorship of a study being undertaken by University Malaysia Sabah (UMS) titled “Ecological Connectivity of Coral Reefs with Seagrass and Mangrove”
- Collaboration with UMS’ Borneo Research Marine Institute for “Monitoring Reef Status and Determining the Feasibility of Coral Restoration in Sepangar Bay”

SBCP supports the entrepreneurship spirit of the villagers living nearby by modifying the fencing built around the village with a gate erected near to the port gate which allows the villagers easy access to the port gate so that they are able to sell fruits or vegetables to the port personnel.

Gender equality among the management team in SPSB is not an issue as during the interview, the researchers were informed that a majority of the department heads are female. In general though, job advertisements for positions within SPSB do not specify gender except for jobs which has a significant element of manual labour for which the male gender is more suitable.

Labour Practices

ISO 26000 defines Labour Practises as an issue which encompass all policies and practices relating to work performed within, by or on behalf of the organization, including subcontracted work.

The employment contract and/ or an employee handbook are tools used to formally outline the employment and the employment relationships in an organisation. SBCP provides a comprehensive employee handbook also known as the References for People Management to all their employees at the start of their tenure in the organisation. This handbook is provided to all of Suria Group’s (SPSB’s parent company) for all of its subsidiaries which addresses a variety of topics in the port including but not limited to the following:

- a. Suria Group Core Values and Culture
- b. Performance Management Systems
- c. Code of Conduct issues such as Appearance, Cleanliness, Relationship at work, Drug and Alcohol Abuse, Ethical Code (Commitment, Secrecy, Insider Information), Sexual Harassment, Bribery
- d. Health, Safety and Environment

SBCP has also drafted a set of procedures to meet with the requirements of the OHSAS 18001 Occupational Safety and Health Management System. This documentation will be implemented once it has been reviewed and approved.

Moreover, personal exposure monitoring to dust and hydrocarbon and monitoring for vibration was conducted in SBCP in 2013 allowing the port to better understand the chemical hazards which their personnel are exposed to in the course of their work as well as the vibration-related risks that may exist in the facility.

Safety and health awareness among the people working for and on behalf of SBCP is essential and hence, the port includes topics on safety and health topics during the induction program for the port personnel. SPSB has also put up buntings in the lobby of the administration building which reminds personnel of the mandatory usage of at site.

SBCP places importance on ensuring that its personnel is equipped with sufficient occupational health information and has previously organised talks for its staff on the topics of mental health and the effects of kidney failure.

The Environment

Aside from education, environment initiatives are also critical to SBCP's commitment towards being socially responsible. SBCP has undertaken a host of environmental initiatives throughout the past few years including mangrove rehabilitation whereby the SBCP personnel replanted 2,200 mangrove seedlings at the Sulaman Lake Reserve.

SBCP also adopted a coral patch (2 square meters) which consists of 35 coral fragments from the species *acropora nobilis* and *acropora formosa*. This was done through the Marine Ecology Research Center.

Not content with these two efforts at environmental conservation, SBCP is also planning to work with WWF to identify other programs for which the port can further contribute to in the future.

Air quality monitoring is one of the environmental activities for which SBCP is particularly invested in as air emissions at ports are of singular significance. In 2010, GIZ conducted a baseline Emissions Inventory which SBCP continued in 2011. The summary of the results for 2011 are as follows¹¹⁰.

Sources	Total emission by sources (tonnes per year)						
	NOx	PM10	PM2.5	HC	CO	SO2	CO2
OGV	341.36	35.51	32.58	14.59	29.58	270.61	21573.23
CHE	84.7	2.7	2.6	4.0	15.2	1.6	7784.8
Vehicles	8.0	0.1	0.1	0.6	1.6	* nd	430.5
Total	434.1	38.31	35.3	19.2	46.4	272.2	29788.5

* nd = no data. Emissions of SO₂ from private trucks have not been calculated as reliable activity-based emission factors were not available. However, emissions are likely to be low as the typical sulphur content of road diesel in Malaysia is 500 ppm compared to an assumed 30,000 ppm (3 %) for fuel used by OGVs.

SBCP's efforts towards pollution prevention in particular air quality is apparent through the purchase and operations of the two (2) units of quay cranes in its premises which are electrically-driven. The port also advocates paper recycling which is part of their 5S program and has successfully recycled 160kg of paper in the last year. Recycling of printing toners are

¹¹⁰ Arguelles, M.R., Sabah Ports Sdn Bhd Air Emission Inventory Report 2011, Sabah Ports Sdn Bhd

also part of this program whoever, specific numbers regarding printing toners recycled were not available during the development of this report.

Fair Operating Practices

Anti-corruption is an issue which SBCP has addressed via the adoption of the whistle blower policy established by the parent company, Suria Group.

Port tariffs are regulated by the Sabah Port Authority and these are available on the organization's website.

Consumer Issues

Accuracy of information to their consumers and the minimization of risks for any individual or organization that uses the port's services are the pertinent consumer issues for SBCP.

SBCP ensures that it provides accurate information with regard to tariff rates by directing their consumers to the tariff rates published on Sabah Port Authority's website.

The risks for any individual or organization that uses the port's services are minimized through the various safety and health activities observed at the port which also meets with the requirements of the Occupational Safety and Health Act 1994 and the Ports Regulations 1968.

Community Involvement and Development

SBCP's surroundings include neighbouring businesses and also villages. Acknowledging that their business impacts the community around them, SBCP makes significant contribution towards the betterment of the community in which they are located through a variety of ways.

In 2012, SBCP adopted a children's home (Rumah Putera Harapan in Ranau) for one year. The children's home is a home for particularly for boys from under-privileged families living in the Ranau area. SBCP contributed funds for the home's food supply for the duration.

In 2013, SBCP continued similar initiatives through the adoption of a children's home in Kudat as well as sponsoring a Special Olympics Sabah activity and collaborating with the Department of Safety and Health in a Mentor-Mentee Program with a local school.

Additionally, SBCP organises an "open house" during the month of Ramadan during which the local community is invited and whenever SBCP arranges a blood drive, people living in their surroundings are encouraged to participate.

3.5 Johor and Sabah Port Authorities

In Malaysia, aside from interviewing and making site visits to port operators, the research team also had the opportunity to speak with representatives from the Johor Port Authority (JPA).

The Sabah Port Authority (SPA) was not included in the interview sessions for this study but the research team has included some limited information about SPA to allow for a rudimentary comparison between port authorities responsible for federal ports –Johor Port Berhad and Port of Tanjung Pelepas – and a state port – Sabah Ports Sdn Bhd.

i. Johor Port Authority (JPA)¹¹¹

The Johor Port Authority (JPA) is a regulatory body which regulates and enforces the operations of ports in the Johor Port water limits, namely the Johor Port at Pasir Gudang, the Tanjung Pelepas Port at Gelang Patah and the Tanjung Belungkor Ferry Terminal at Kota Tinggi.

Though claiming to be quite new in its social responsibility initiatives, Johor Port Authority demonstrates several social responsibility initiatives through its policies and practices.

Organizational Governance

JPA's policies and objectives demonstrate management's commitment towards many issues identified in social responsibility which will include but is not limited to; development of strategies, objectives, and targets that reflect its commitment to social responsibility; demonstration leadership commitment and accountability; creating and nurturing an environment and culture in which the principles of social responsibility are practiced; and, establishment of communication processes where negotiating conflicts is made possible.

The JPA website also reflects its transparency with many of its stakeholders including the port user, JPA staff, port operators, and the general public.

Human Rights

Employees have the right to be heard, and JPA has this mechanism in place where employees may bargain with the Ministry of Transport and management.

JPA also acknowledges the economic, social and cultural rights of their employees, in the area of providing support for education and lifelong learning, by including their client charter, under the heading of "Training" that every officer and staff must attend a course at least 4 days a year¹¹², although current policies mentioned during the interview stated that each employee is required to attend at least 7 days of courses in a year based on competency development through training need identifications.

¹¹¹ Lembaga Pelabuhan Johor (n.d.). *LPJ's Background*. Retrieved July 28, 2013, from <http://www.lpj.gov.my/index.php/en/corporate-information/lpjs-background>

¹¹² Lembaga Pelabuhan Johor - Client Charter. (n.d.). Retrieved July 28, 2013, from <http://www.lpj.gov.my/index.php/en/corporate-information/client-charter>

Labour practices

JPA has good social responsibility practices through its existing labour systems. Firstly, it provides an improvement in the standards of living of its employees through full and stable employment. Not only do they provide a steady and reliable standard of living, but also provide working time, rest periods, holidays, disciplinary and dismissal practices, maternity protection and welfare matters such as safe drinking water, sanitation, canteens and access to medical services in accordance to Malaysian Employment Act 1955, as described in the ILO website¹¹³. This constitutes responsible labour practices in the issue of conditions of work and social protection.

As with JPAs responsible human rights practices, the responsible labour practices are also seen with the presence of their unions which provide avenues for social dialogue for their employees. The area of human development and training in the workplace is another cross-cutting issue between labour and human rights, and, this is a practice that is evident in JPA.

The Environment

JPA has sought to protect and restore the natural habitats through the planting of 2000 mangroves in 2011, and a beach clean-up in 2012 where JPA also donated benches for the area.

114

2011	MANGROVE PLANTING	2000 MANGROVE PLANTING	20,000	1. Environmental effect 2. To preserve ecology,
2012	BEACH CLEANING	BEACH CLEAN AND BENCHES CONTRIBUTION	20,000	1. To educate public on the importance of cleanliness

Fair operating practices

JPA has the fair operating practice particularly on anti-corruption where you may find, on their website, a link for a “whistle blowing”¹¹⁵:

This system is evidence that JPA aspires to have an organization which is transparent and free from corruption, and also has cross-cutting issues with labor human rights in its provision through this avenue for a sense of fairness and social justice for its employees.

Consumer issues

JPAs main customers are Johor Port Berhad and Port of Tanjung Pelepas, and JPA has demonstrated responsible consumer responsibility by protecting their consumers’ health and

¹¹³ Malaysia. EMPLOYMENT ACT, 1955. (n.d.). Retrieved July 28, 2013, from <http://www.ilo.org/dyn/natlex/docs/WEBTEXT/48055/66265/E55mys01.htm>

¹¹⁴ Mohd Rusjunaza, Mohd Z., (2013, May). *Johor Port Authority*. Powerpoint presented at the meeting of GIZ and Johor Port Authority, Johor, Malaysia.

¹¹⁵ Lembaga Pelaburan Johor (n.d.). Whistle blowing. Retrieved July 28, 2013, from <http://www.lpj.gov.my/wbs/>

safety through its provision of processes and procedures with regard to fire under the supervision of the Johor port Authority¹¹⁶.

JPA also provides a Dangerous Goods List which may be searched by proper shipping name, IMO Class, JPA Group, or UN Number, in line with their client charter¹¹⁷:

JPA again demonstrates their responsibility for consumers by providing support, complaint, and dispute resolution. This is evidenced by the Whistle Blowing system described in earlier sections, as well as a “Report and Feedback” mechanism in their website, where their consumers may have the option to write, visit, call, email, or submit directly through their website¹¹⁸.

Community Involvement and Development

JPA has been involved in corporate social responsibility initiatives since 2006 particularly in the area of community involvement ¹¹⁹ through school adoption, mangrove planting, and beach cleaning activities. They annually spend for these activities around RM 20,000. However, in the very fundamental sense, its main contribution towards social responsibility under community involvement is through employment creation and skills development.

ii. Sabah Ports Authority (SPA)¹²⁰

The Sabah Ports Authority (SPA) is a state statutory body established in 1968 by the SPA Enactment 1967 which was repealed and replaced by the SPA Enactment 1981. The Authority is under the jurisdiction of the Ministry of Infrastructure Development, Sabah. Sabah Ports Authority will act as the regulatory authority responsible related to port activities and will ensure the terminal operator who operates the server ports in Sabah with the privatisation agreement fully and set standards plus benchmark for port operations comparable with ports in the region.

For the purpose of this study, the extent of Sabah Port Authority’s (SPA’s) social responsibility initiatives have been evaluated mainly through information available in the public domain (SPA’s website and/or newspaper articles).

The research team would like to state here that during the limited desktop study to obtain information on SPA’s social responsibility practices, data in the core subjects of human rights, labour practices and the environment were not available and hence these subjects are not presented here on behalf of SPA.

Organizational Governance

¹¹⁶ *Lembaga Pelabuhan Johor - Fire Section*. (n.d.). Retrieved July 28, 2013, from <http://www.lpj.gov.my/index.php/en/feedback/45-sudut-bomba>

¹¹⁷ *Lembaga Pelabuhan Johor - Client Charter*. (n.d.). Retrieved July 28, 2013, from <http://www.lpj.gov.my/index.php/en/corporate-information/client-charter>

¹¹⁸ *Lembaga Pelabuhan Johor – Report and Feedback*. (n.d.). Retrieved July 28, 2013, from <http://www.lpj.gov.my/index.php/en/feedback>

¹¹⁹ Mohamed, A.R. (2013, May). *Johor Port Authority*. Powerpoint presented at the meeting of GIZ and Johor Port Authority, Johor, Malaysia.

¹²⁰ Sabah Ports Authority (n.d.). *Introduction / Sabah Ports Authority*. Retrieved August 11, 2013, from <http://www.lpps.sabah.gov.my/?q=content/introduction>

SPA's mission and vision is available on its website, easily accessible by interested parties. Information regarding roles and functions of the authority is also clearly stated which can be used as a reflection of the organisation's willingness to be transparent in its responsibilities and duties as a regulating body.

Fair operating practices

Exact port tariffs are not yet available on the website however information regarding how to obtain the port tariffs from SPA is clearly communicated on the same page of the site.

Consumer issues

Port procedures are available on the SPA website which serves to accurately inform consumers regarding SPA's expectations. Consumer issues can also be addressed via the availability of the feedback form on the website.

Community Involvement and Development

SPA is aware of the importance of being involved and contributing to the community it operates within and the organisation does this by providing aid (financial/ manpower) wherever possible the most recent being providing monetary aid to flood victims in the Kinabatangan region of Sabah in 2010.

3.6 Highlights of CSR Strengths for Malaysia

The following are the highlights of the CSR Strengths in Malaysian Ports:

- The participating ports in Malaysia have established a mission, vision and/ or a set of core values that are used to communicate to its stakeholders that they are committed to improving its people and also to sustainable development.
- Most of the CSR programmes in the participating Malaysian ports focus on public involvement, development and education which is evidenced through the inclusion of the surrounding community in activities like blood donation drives or tree-planting activities organised by the port as well as monetary contribution to educational programs for vulnerable groups i.e. local indigenous people.
- Environmental conservation and awareness among the port personnel and the public is also key to Malaysian ports as significant human and monetary resources are generally allocated to these areas of CSR activities.
- Safety, health and environment (SHE) is a priority to Malaysian Ports and is practiced to a varying degree i.e. the establishment of a safety and health policy or being triple-certified with the ISO 9001, ISO 14001 and OHSAS 18001.
- All the participating ports in Malaysia have established, implemented and communicated a whistleblower policy as a tool to combat corruption. This also includes setting up a mechanism for reporting anonymously and also to monitor if the report has been addressed or not.

4. Recommendations

Corporate Social Responsibility can be a daunting challenge for any organization as the ports that are part of the research here have shown. While all ports have addressed CSR issues in one way or another, not all have developed a clear vision for what their port should and can address in terms of social responsibility.

This section presents two types of recommendations – general recommendations and country-specific recommendations.

4.1 General¹²¹

The following general recommendations apply across all the participating ports in both Malaysia and Cambodia. The recommendations are organized according to priorities and it is suggested that ports intending to improve their CSR practices apply the recommendations in the order in which they are presented here.

Recommendation # 1: Conduct a Stakeholder Analysis:

It is necessary to understand the impacts that an organization has on its stakeholders, including the surrounding environment – impacts being the internal and external, positive and negative effects that the organization has on the social and natural environments. While part of the analysis is based on measurements (i.e. emissions, wastes, energy and water use, etc.), another point of view is gained through stakeholder analysis.

Because of the importance of stakeholders and analysis of their needs and expectations as an input to setting not only priorities, but also for determining vital aspects of CSR for an organization, a sample tool and method for stakeholder analysis has been included in Annex 12.

Recommendation # 2: Set CSR Priorities:

Once a stakeholder analysis is accomplished, it is necessary to set CSR priorities as a foundation for a roadmap for its CSR initiatives. There are three main concepts to take into consideration:

- 1) Relevance,
- 2) Significance, and
- 3) Sphere of influence.

Details of CSR priority setting are in Annex 11.

Recommendation # 3: Establishment of Socially Responsible Policies

Though all ports are practicing social responsible practices in their organizations, it is recommended that they establish the following policies formally within their organizations.

¹²¹ Kaldschmidt, Susanne. "CSR Report - Inputs Stakeholders Prioritization." Message to the authors. 9 Aug. 2013. E-mail.

This may include but not limited to: human rights; anti-discrimination (race, women, people with disabilities, indigenous people, migrant workers); fair operating practices; the environment; community involvement through the Millennium Development Goals of the United Nations.

Recommendation #4: Creation of Strategies, Objectives and Targets towards Social Responsibility

Based on the outcome of the stakeholder analysis, and prioritization of CSR initiatives, the ports are recommended to create strategies, objectives, and targets that reflect its commitment to social responsibility. This will enable the ports to integrate their commitments to social responsibility more fully into the organization and can help in the establishment of sustainable programs for the community.

4.2 Country-specific Recommendations

One of the objectives of this study is to “Identify areas of mutual learning between the Malaysian and Cambodian ports in the area of CSR” and in essence generates the “mutual dividends” of a South-South cooperation¹²². Below are specific recommendations on what the different country ports may learn from one another.

i. Cambodian Port Recommendations

- Identification of core values and principles – Cambodian ports may want to capture through core value statements the various initiatives for social responsibility, and for the organization that they are already effecting.
- Identify and carry out initiatives which focus on the protection of the environment, biodiversity and restoration of the natural habitat – While infrastructure projects remain the strength of Cambodian ports, it would be beneficial to add initiatives towards the protection of the environment of their surrounding communities. This may be in cooperation with other agencies or local universities.
- Establish a whistle-blower policy – As part of the policies and initiatives of the Cambodian Royal Government’s Anti-corruption unit, the Cambodian ports may wish to consider the feasibility of establishing a whistle blower policy as a deterrent to corruption practices, where individuals may report any corrupt practices they see or observe in the port
- Establish a mechanism for consumer complaints – Consumer complaints can make or break an organization and it will be prudent for the Cambodian ports to establish a mechanism for consumers to direct any complaints to the ports and for the port to be able to resolve disputes with its customers in a timely and socially responsible manner.

¹²² Langendorf, J., Piefer, N., Knodt, M., Muller, U., & Lazaro, L. (2012). *Triangular cooperation: A guideline for working in practice*. Baden-Baden, Germany: Nomos.

ii. Malaysian Port Recommendations

- Integration of social responsibility into their vision and mission statements – Organizational governance and leadership initiatives are fundamental in the integration of social responsibility for an organization. These leadership initiatives towards social responsibility are best seen in the incorporation of socially responsible intentions in the organization's vision and mission statements.
- Identification of the aspects and impacts of its decisions and activities on the surrounding environment, as well as the identification of the sources of pollution and waste related to its activities – It would be beneficial for the Malaysian ports to identify and monitor their organization's impact on the surrounding environment, e.g. conduct air emission inventories, water use monitoring, energy consumption and monitoring, so they may be able to identify next steps in the mitigation of the port's impact on the environment. For the port organizations already practicing and monitoring their environmental impacts, creating programs and activities and awareness programmes for the mitigation of these impacts may be implemented for the port.
- Raise awareness about health threats and major diseases and their prevention, such as HIV/AIDS, cancer, heart disease, malaria, tuberculosis and obesity – This may be done through participation in studies, or information campaigns for the community, or partnership with local universities regarding HIV/AIDS and other dreaded diseases.
- Cultivate programs that encourage community involvement and development with regard to social investment – The ports, as significant members of the community, may take into account collaborating with the local government in their area regarding various means of social investment for their respective communities, in consideration and as contribution towards the UN Millennium Development Goals.

5. Conclusion

In conclusion, the output of this study shows that the Triangular Cooperation as a complementary strategy for development is not only possible, but beneficial for all stakeholders concerned.

GIZ's extensive experience in North-South cooperation has enabled the sharing of experiences of two South parties, namely Malaysia and Cambodia, to bring about a mutual sharing of experiences and best practices, supporting the triangular model of a North-South-South cooperation.

GIZ has provided a stable vertical axis of the traditional donor-recipient relationship with the two countries. It has also enabled the Malaysian Ports and Cambodian Ports to form their horizontal axis for mutual learning with regard to CSR in ports. The mutual learning stems from differences in size, organizational structures, and culture. Through these differences, the Cambodian and Malaysian ports have their separate strengths, and a variety of opportunities for shared learning.

Annex 1: List of Attendees

Phnom Penh Autonomous Port

1. H.E Eang Vengsun - Deputy Director General (Maritime Service/Traffic Division)
2. Yim Choeurn - Director of Harbor
3. Ay Samnang - SHE manager
4. Keo Sophanara - Manager of Procurement Unit and Manager of Planning and Statistic Office
5. Kong Channy - CEO's Secretary and Deputy manager of Administration
6. Chen Virakbodha - Deputy Manager of HR
7. Rim Sokrath - SHE officer

Sihanoukville Autonomous Port

1. H.E. Ma Sunhout - Deputy Director General (Technical & Engineering Division)
2. Chhun Hong - Director of General Cargo Handling Department
3. Pith Prakath - Chief of H.R and Training Office
4. Sing Seno - Dept Director of Harbor Master Department
5. Heng Ratha - Staff of Technical Department
6. Men Chann - Chief of Internal Audit Office
7. May Sam Aun - Chief of Office of General Cargo Operation Office Dept.
8. Men Sophath - Staff of Administration
9. Chey Chetha - Staff of Administration
10. Ms Hang Dory - Chief of PAS's Trade Union
11. Ms.Chim Kalyaney - PAS's Environment officer

Johor Port Authority

1. Ahmad Syahrir Ashaari - Fire Superintendent
2. Mohd Zahari Mohd Rusjuna - Science Officer
3. Aizun Nazlin Binti Abdullah - Legal Officer
4. Abdul Raqib Bin Mohamed - Corporate Service Officer
5. Mona Leza Binti Abd Aziz - Human Resource Manager

Johor Port Berhad

1. Edwin Gerard - General Manager
2. Syed Omar Albar - Corporate Communications
3. Siti Kamariah Binti Md Shahrin - Head OSH Section

Port of Tanjung Pelepas

1. Mohd Azham Abdul Rahman - Senior Executive, Corporate Communications Department
2. Azrini Reezan Abd. Latiff - Manager, Corporate Communications Department

Sapangar Bay Container Port

1. Mohd. Isa Husin - HSE Manager
2. Melissa Renee Arguelles - Executive HSE
3. Zita Anselmus - Human Resources
4. Azrinah Tahir - SBCP
5. Ezzienie Zirenee Lumungking - COE

Annex 2: Examples of Cross-sectoral Initiatives

Source: International Organization for Standardization Guideline for Social Responsibility ISO 26000

Table A.1 — Examples of cross-sectoral initiatives
(apply to more than one sector of activity — see also 7.8 and introductory text of this annex)

The information in this annex reflects the situation at the time of completion of this International Standard. Recognizing that this information is not exhaustive and that social responsibility is a continuously developing field, it is recommended that updated information be sought from other sources.

ORGANIZATION INITIATIVE OR TOOL (Listed by organization in alphabetical order under each section)	The "X" mark indicates that the initiative/tool refers to at least one aspect or issue included in the corresponding sub-clause. <i>It is not a sign of compatibility with, or endorsement by, ISO 26000</i>															Additional information (includes brief objective description of the initiative/tool; stakeholder participation in its governance; its target audience and conditions for access; whether it is for certification or not; and a website for further information)	
	CORE SUBJECTS*						PRACTICES FOR INTEGRATING SOCIAL RESPONSIBILITY*										
	6.2 OG	6.3 HR	6.4 Lab	6.5 Env	6.6 FOP	6.7 Con	6.8 CID	5.2	5.3	7.2	7.3	7.4	7.5	7.6	7.7		
*ISO 26000 sub-clauses index: 6.2 Organizational governance; 6.3 Human rights; 6.4 Labour practices; 6.5 The environment; 6.6 Fair operating practices; 6.7 Consumer issues; 6.8 Community involvement and development; 5.2 Recognizing social responsibility; 5.3 Stakeholder identification and engagement; 7.2 The relationship of an organization's characteristics to social responsibility; 7.3 Understanding the social responsibility of an organization; 7.4 Practices for integrating social responsibility throughout an organization; 7.5 Communication on social responsibility; 7.6 Enhancing credibility regarding social responsibility; 7.7 Reviewing and improving an organization's actions and practices related to social responsibility.																	
Section 1: INTERGOVERNMENTAL INITIATIVES (Initiatives and tools operating under direct responsibility of intergovernmental institutions, such as United Nations agencies)																	
OECD Risk Awareness Tool for Multinational Enterprises in Weak Governance Zones	X	X	X		X		X	X	X	X	X				X	Provides a checklist for companies to use when examining risks and ethical dilemmas concerning their potential activities in countries where there is weak governance. www.oecd.org/	
UNCTAD Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting (ISAR)	X		X	X	X		X	X					X			Working group devoted to corporate transparency and accounting issues at the corporate level. Issues addressed in corporate accounting and reporting including: International Financial Reporting Standards (IFRS) implementation, accounting by SMEs, corporate governance disclosure, corporate responsibility reporting, and environmental reporting. Stakeholder groups meet annually to discuss and agree upon approaches to the issues the group deals with. Open to all organizations. No fees required. www.unctad.org/isar	
UNEP Climate Neutral Network				X								X	X	X	X	Initiative affiliated to UNEP open to all organizations. Facilitates the exchange of information on how organizations can achieve cuts in greenhouse gas emissions. A Board of Directors of appointed stakeholders oversees the program. http://www.unep.org/climateneutral/	
UNEP Life Cycle Initiative			X	X			X	X				X	X		X	Initiative open to experts from organizations active in the field of life cycle management. Annual membership fee required. Task forces composed of UN Secretariats and stakeholder participants seek to develop capability and training in life cycle approaches. An affiliate of the United Nations Environment Programme. http://lifecycle.unep.fr/	
United Nations Global Compact		X	X	X	X							X				Initiative of the United Nations directed at business organizations. Open to any organization, participants commit to align their strategies and operations with ten principles in the areas of human rights, labour, environment and anti-corruption, and to take action in support of broader UN goals. A voluntary platform, organizations are required to report annually on efforts to implement the principles through policies and practices. The United Nations Global Compact has developed tools and guidance materials across all principal areas in order to assist participating organizations. No fees required. www.unglobalcompact.org/	
UNGC, UNDP, UNITAR UN Partnership Assessment Tool							X		X			X				Self-assessment planning tool to enhance the development impact and contribution to sustainable development of public-private partnerships. Available free of charge to all organizations. UNIDO trains consultants to disseminate the CSR management approaches and techniques to organizations across the world. www.unglobalcompact.org/Issues/partnerships/pat.html	
UNIDO Responsible Entrepreneurs Achievement Programme		X	X	X	X			X	X		X	X	X		X	Initiative supported by UNIDO aimed at small and medium-sized enterprises. Membership and fees are not required. Provides a structured framework and analytical software to assist SMEs with CSR. www.unido.org/reap	

Annex 3: Section 3 of the ILO Philadelphia Declaration

The Conference recognises the solemn obligation of the International Labour Organisation to further among the nations of the world programmes which will achieve:

- (a) full employment and the raising of standards of living;
- (b) the employment of workers in the occupations in which they can have the satisfaction of giving the fullest measure of their skill and attainments and make their greatest contribution to the common well-being;
- (c) the provision, as a means to the attainment of this end and under adequate guarantees for all concerned, of facilities for training and the transfer of labour, including migration for employment and settlement;
- (d) policies in regard to wages and earnings, hours and other conditions of work calculated to ensure a just share of the fruits of progress to all, and a minimum living wage to all employed and in need of such protection;
- (e) the effective recognition of the right of collective bargaining, the co-operation of management and labour in the continuous improvement of productive efficiency, and the collaboration of workers and employers in the preparation and application of social and economic measures;
- (f) the extension of social security measures to provide a basic income to all in need of such protection and comprehensive medical care;
- (g) adequate protection for the life and health of workers in all occupations;
- (h) provision for child welfare and maternity protection;
- (i) the provision of adequate nutrition, housing and facilities for recreation and culture;
- (j) the assurance of equality of educational and vocational opportunity

Annex 4: Ratifications for Cambodia

http://www.ilo.org/dyn/normlex/en/f?p=1000:11200:0::NO:11200:P11200_COUNTRY_ID:103

Fundamental

Convention	Date	Status
C029 - Forced Labour Convention, 1930 (No. 29)	24 Feb 1969	In Force
C087 - Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87)	23 Aug 1999	In Force
C098 - Right to Organise and Collective Bargaining Convention, 1949 (No. 98)	23 Aug 1999	In Force
C100 - Equal Remuneration Convention, 1951 (No. 100)	23 Aug 1999	In Force
C105 - Abolition of Forced Labour Convention, 1957 (No. 105)	23 Aug 1999	In Force
C111 - Discrimination (Employment and Occupation) Convention, 1958 (No. 111)	23 Aug 1999	In Force
C138 - Minimum Age Convention, 1973 (No. 138) <small>Minimum age specified: 14 years</small>	23 Aug 1999	In Force
C182 - Worst Forms of Child Labour Convention, 1999 (No. 182)	14 Mar 2006	In Force

Governance (Priority)

Convention	Date	Status
C122 - Employment Policy Convention, 1964 (No. 122)	28 Sep 1971	In Force

Technical

Convention	Date	Status
C004 - Night Work (Women) Convention, 1919 (No. 4)	24 Feb 1969	Not in force
C006 - Night Work of Young Persons (Industry) Convention, 1919 (No. 6)	24 Feb 1969	In Force
C013 - White Lead (Painting) Convention, 1921 (No. 13)	24 Feb 1969	In Force
C150 - Labour Administration Convention, 1978 (No. 150)	23 Aug 1999	In Force

[055](#)

Annex 5: Aid Programs to Cambodia by Norwegian Individuals (2010-2013)

No.	Names and Addresses	Projects
01	Home Foundation Kristiansand V/Jahn Arild Stray og Arne Stray Elvegata 8-10 4614 Kristiansand Mobiltelefon: + 47 90676250	- Health Center School - Water pumps Computer - Water wells Water pond
02	Vennesla Lower Secondary School (Elever og Ansatte) Skolevegen 9, 4700 Vennesla. Telefon: + 47 38 15 05 00 E-post: venesla.ungdom sskole@vennesla.kommune.no	- Water wells
03	Lars Magne Tørnes Anundskaret 108, 4330 Algard. Telefon: + 47 56 61 92 39 Mobiltelefon: + 47 99 25 19 28 E-post: lars.magne.tornes@lyse.nett	- Water wells Waterworks
04	Erik Albert Bordalen 13A 4639 Kristiansand S, Mobiltelefon: + 47 488 95 891	- Health center
05	Jan Lokkeborg Skaremarka 30, 6013 Alesund, Mobil: + 47 477 56 343	- Furniture for health center
06	Olav Moen og Kirsten Dale Venneslavegen 173, 4700 Vennesla, Telefon: + 47 38 15 44 89 Mobiltelefon: + 47 97 50 37 56	- Water well
07	Ellen Stray Tranestien 40, 4626 Kristiansand S. Telefon: + 47 38 01 03 73 E-post: ellen@stray.cc	- Tractor for transporting water
08	Kari Stray Snehvitbakken 31, 4638 Kristiansand S Telefon: + 47 38 04 45 97 Mobiltelefon: + 47 95 73 45 26	- Tractor for transporting water
09	Kristian Dysthe, Losveien 15, 4327 Sandnes	- Water well
10	Dysthe's Family, Hans-og Anita Hauge Dysthe. Losveien 15, 4327 Sandnes Mobiltelefon: + 47 91 10 74 31 Femøydamer på Vestre Sandoya: - Kristin Andersen, - Camilla Hausberg Knutsen, - Ragnhild Haug, - Ingeborg Andrea Marcussen Hubertz, - Britt Ida Moen Sandoy Østre 4915 Vestre Sandoya. Mobiltelefon: + 47 93 09 76 55	- Water well - Waterworks - Water well

No.	Names and Addresses	Projects
11	Fiska's Family: - Anders og Astrid Fiska, - Benjamin, - Turil - Ruen Bjorkelivegen 42H, 4700 Vennesla Mobiltelefon: + 47 80 05 82 46	- Water well
12	Fredriksen's Family: - Mari tog Frank Fredriksen, - Ove og Judit Fiska, - Sara, Ragnild og Ronald Fredriksen Broviglia 35, 4623 stiansand	- Water well
13	Children of Gustav Association of Bjorkelivegen Bjorkelivegen, 4700 Vennesla	- Water well
14	Marit Bjora Hammersland Nordtjonnasen 29B, 4620 Kristiansand S Mobiltelefon: + 47 99 43 79 77 E-post: marbjoha@broadpark.no	- Waterworks
15	Torill Jensen Sandoya Østre 4915 Vestre Sandoya Mobiltelefon: +47 90 78 93 82	- Waterworks
16	Magnus Nymann Ankerveien 12, 4876 Grimstad. Telefon: + 47 37 04 90 69 Mobiltelefon: + 47 95 94 17 39	- Water well
17	Tor Inge Rislåa's Family Bjorkelivegen 42, 4700 Vennesla Telefon: + 47 38 15 70 57 Mobiltelefon: + 47 94 87 01 66	- Water well - Water pump
18	Jenny Rislåa (Rislåa's Family) Bjorkelivegen 42, 4700 Vennesla Telefon: + 47 38 15 70 57 Mobiltelefon: + 47 94 87 01 66	- Water well
19	Sophea Srei Pen Lundevegen 50 4700 Vennesla	- Water well

The results achieved so far are as follows (after 2010 – 2013)

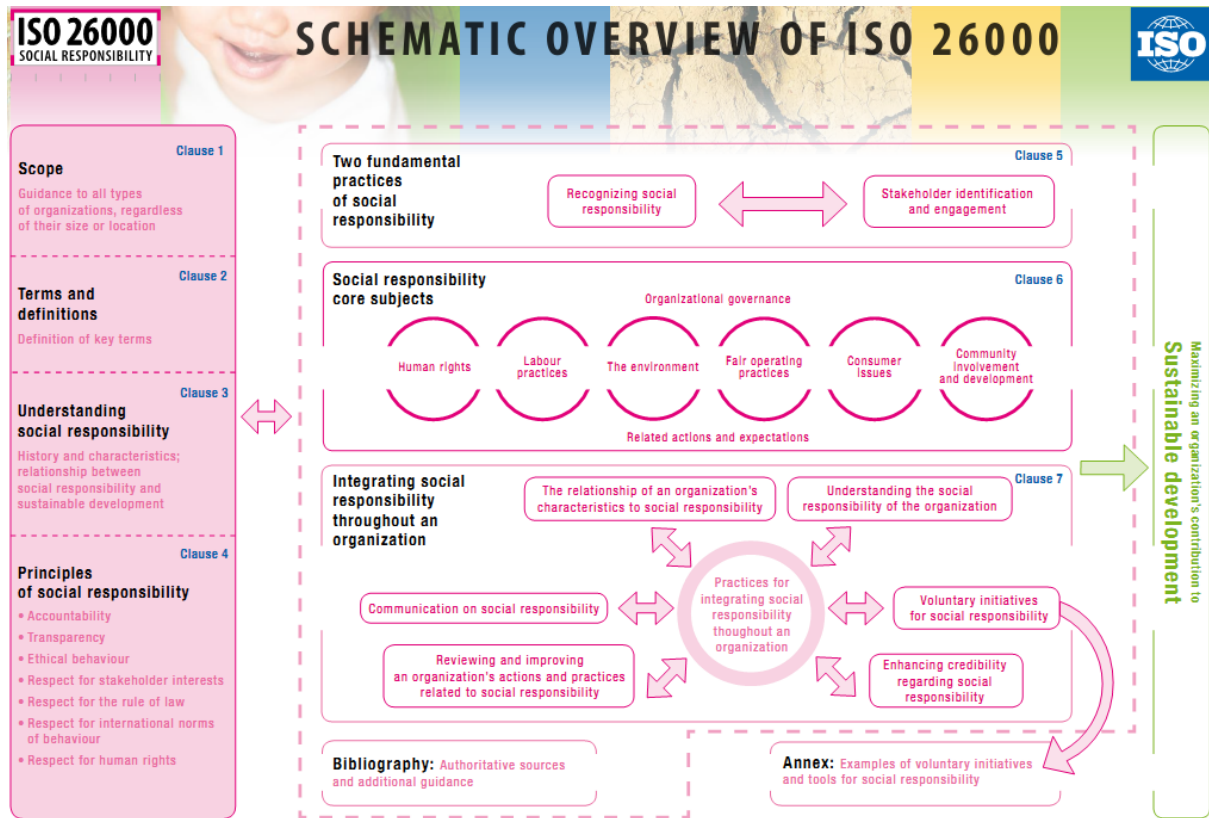
No. of water wells:	27 in Takeo, Kampot, Kampong Speu, Prey Veng, and Svay Rieng provinces
No. of water ponds:	1 in Kampot province
No. of water pumps for rice fields:	4 in Kampot, Prey Veng, and Takeo provinces
No. of waterworks:	3 (2 big waterworks and 1 small waterworks in Takeo province)
No. of water pumps:	2 for a Senior High School in Wat Champa, Takeo province

- Improvement of school compound: 1 in Preynub district, Preah Sihanouk province
- No. of health centres built: 1 in Preynub district, Preah Sihanouk province
- No. of installation of medical materials: 1 in the health centre of Preah Sdach district, Prey Veng province
- No. of tractors for transporting clean water: 1 in Preynub district, Preah Sihanouk province
- Started the construction of one more health centre in Trapang Ampil village, Ta Phem commune, Tramkak district, Takeo province.

After 1994-2004

- Constructed one school in Krachap village, Takeo province in 1996.
- Constructed one school in Wat Champa, Takeo province in 2004.
- Constructed one school in Champu Khmao village, Preynub district, Preah Sihanouk province in 2006.

Annex 6: ISO 26000 Schematic Diagram



Annex 7: Photos from various ports pertaining to the CSR initiatives undertaken



Annex 8: Extracts from ILO C089 – Night Work (Women) Convention (Revised), 1948 (No. 89)

PART I. GENERAL PROVISIONS

Article 1

1. For the purpose of this Convention, the term industrial undertakings includes particularly:

- (a) mines, quarries, and other works for the extraction of minerals from the earth;
- (b) undertakings in which articles are manufactured, altered, cleaned, repaired, ornamented, finished, adapted for sale, broken up or demolished, or in which materials are transformed, including undertakings engaged in ship-building or in the generation, transformation or transmission of electricity or motive power of any kind;
- (c) undertakings engaged in building and civil engineering work, including constructional, repair, maintenance, alteration and demolition work.

2. The competent authority shall define the line of division which separates industry from agriculture, commerce and other non-industrial occupations.

Article 2

For the purpose of this Convention the term night signifies a period of at least eleven consecutive hours, including an interval prescribed by the competent authority of at least seven consecutive hours falling between ten o'clock in the evening and seven o'clock in the morning; the competent authority may prescribe different intervals for different areas, industries, undertakings or branches of industries or undertakings, but shall consult the employers' and workers' organisations concerned before prescribing an interval beginning after eleven o'clock in the evening.

Article 3

Women without distinction of age shall not be employed during the night in any public or private industrial undertaking, or in any branch thereof, other than an undertaking in which only members of the same family are employed.

Article 4

Article 3 shall not apply:

- (a) in cases of force majeure, when in any undertaking there occurs an interruption of work which it was impossible to foresee, and which is not of a recurring character;
- (b) in cases where the work has to do with raw materials or materials in course of treatment which are subject to rapid deterioration when such night work is necessary to preserve the said materials from certain loss.

Article 8

This Convention does not apply to:

- (a) women holding responsible positions of a managerial or technical character; and
- (b) women employed in health and welfare services who are not ordinarily engaged in manual work.

Annex 9: List of Documents and Experts Requested for Port Interviews

Organizational Governance and Community Involvement		
<i>Identified Experts</i>	<i>List of Documents to be reviewed</i>	<i>Relevant Mgt Systems</i>
Top Management	Corporate Policies <ul style="list-style-type: none"> Human Rights Labour Practices Environment Fair Operating Practices Consumer Issues Community Involvement 	<ul style="list-style-type: none"> ISO 14001 OHSAS 18001 SA 8000
	Stakeholder Engagement <ul style="list-style-type: none"> Policies Strategies 	
CSR Department	CSR Policies <ul style="list-style-type: none"> Vision Mission Programmes Sustainability Report	
Legal Department	Legal Registry	

Human Rights and Labour Practices		
<i>Identified Experts</i>	<i>List of Documents to be reviewed</i>	<i>Relevant Mgt Systems</i>
Human Resources	<ul style="list-style-type: none"> HR Policies Collective Bargaining Agreements (CBA) 	<ul style="list-style-type: none"> SA 8000
Safety Department	<ul style="list-style-type: none"> OSH Policies Risk Assessment 	<ul style="list-style-type: none"> OHSAS 18001
Purchasing Department	<ul style="list-style-type: none"> Policy for purchased goods and services 	
Training Department	<ul style="list-style-type: none"> Training System Training Matrix 	

Environment		
<i>Identified Experts</i>	<i>List of Documents to be reviewed</i>	<i>Relevant Mgt Systems</i>
Environmental Department	<ul style="list-style-type: none"> Environmental Policies Environmental Procedures Impact Assessment Registry Environmental Monitoring Records Climate Change strategies/policies 	<ul style="list-style-type: none"> ISO 14001
Safety Department	<ul style="list-style-type: none"> Risk Assessment 	<ul style="list-style-type: none"> OHSAS 18001
Purchasing Department	<ul style="list-style-type: none"> Policy for purchased goods and services 	

Annex 10: Sample CSR Study Questionnaire

ORGANIZATIONAL GOVERNANCE, OG		Y / N
OG1	Has the port developed strategies, objectives, and targets that reflect its commitment to social responsibility?	
OG2	Has the port demonstrated leadership commitment and accountability?	
OG3	Has the port created and nurtured an environment and culture in which the principles of social responsibility are practised?	
OG4	Has the port created a system of economic and non-economic incentives related to performance on social responsibility?	
OG5	Does the port periodically review and evaluate the governance processes of the organization; adjust processes according to the outcome of the reviews and communicate changes throughout the organization?	
OG6	Has the port identified its stakeholders, both those it is responsible to, and those it is responsible for?	
OG7	Does the port account for the impacts of its decisions and activities on society, the environment and the economy?	
OG - Transparency (T)		
Is the port transparent regarding :		
OG-T1	the purpose, nature and location of its activities;	
OG-T2	the identity of any controlling interest in the activity of the organization;	
OG-T3	the manner in which its decisions are made, implemented and reviewed, including the definition of the roles, responsibilities, accountabilities and authorities across the different functions in the organization;	
OG-T4	standards and criteria against which the organization evaluates its own performance relating to social responsibility;	
OG-T5	its performance on relevant and significant issues of social responsibility;	
OG-T6	the sources, amounts and application of its funds;	
OG-T7	the known and likely impacts of its decisions and activities on its stakeholders, society, the economy and the environment; and	
OG-T8	its stakeholders and the criteria and procedures used to identify, select and engage them.	
OG - Ethical Behaviour (EB)		
Does the port actively promote ethical behavior by:		
OG-EB1	identifying and stating its core values and principles;	
OG-EB2	developing and using governance structures that help to promote ethical behaviour within the organization, in its decision making and in its interactions with others;	
OG-EB3	identifying, adopting and applying standards of ethical behaviour appropriate to its purpose and activities	
OG-EB4	encouraging and promoting the observance of its standards of ethical behaviour;	
OG-EB5	defining and communicating the standards of ethical behaviour expected from its governance structure, personnel, suppliers, contractors and, when appropriate, owners and managers, and particularly from those that have the opportunity, while preserving local cultural identity, to significantly influence the values, culture, integrity, strategy and operation of the organization and people acting on its behalf;	
OG-EB6	preventing or resolving conflicts of interest throughout the organization that could otherwise lead to unethical behaviour	
OG-EB7	establishing and maintaining oversight mechanisms and controls to monitor, support and enforce ethical behaviour	
OG-EB8	establishing and maintaining mechanisms to facilitate the reporting of unethical behaviour without fear of reprisal;	
OG-EB9	recognizing and addressing situations where local laws and regulations either do not exist or conflict with ethical behaviour;	
OG-EB10	adopting and applying internationally recognized standards of ethical behaviour when conducting research with human subjects	
OG-EB11	respecting the welfare of animals, when affecting their lives and existence, including by providing decent conditions for keeping, breeding, producing, transporting and using animals	
OG - Respect for stakeholder interests (RS)		
Does the port respect, consider and respond to the interests of its stakeholders by:		
OG-RS1	identifying its stakeholders;	
OG-RS2	recognizing and have due regard for the interests as well as the legal rights of its stakeholders and respond to their expressed concerns;	
OG-RS3	recognizing that some stakeholders can significantly affect the activities of the organization;	
OG-RS4	assessing and taking into account the relative ability of stakeholders to contact, engage with and influence the organization;	
OG-RS5	taking into account the relation of its stakeholders' interests to the broader expectations of society and to sustainable development, as well as the nature of the stakeholders' relationship with the organization	
OG-RS6	considering the views of stakeholders whose interests are likely to be affected by a decision or activity even if they have no formal role in the governance of the organization or are unaware of these interests.	
OG - Respect for the rule of law (RL)		
Does the port:		
OG-RL1	comply with legal requirements in all jurisdictions in which the organization operates, even if those laws and regulations are not adequately enforced;	
OG-RL2	ensure that its relationships and activities comply with the intended and applicable legal framework;	
OG-RL3	keep itself informed of all legal obligations; and	
OG-RL4	periodically review its compliance with applicable laws and regulations.	
OG - Respect for international norms of behaviour (IB)		
OG-IB1	In situations where the law or its implementation does not provide for adequate environmental or social safeguards, does the port strive to respect, as a minimum, international norms of behaviour.	
OG-IB2	In countries where the law or its implementation conflicts with international norms of behaviour, an organization should strive to respect such norms to the greatest extent possible.	
OG-IB3	In situations where the law or its implementation is in conflict with international norms of behaviour and where not following these norms would have significant consequences, does the port, as feasible and appropriate, review the nature of its relationships and activities within that jurisdiction.	
OG-IB4	Does the port consider legitimate opportunities and channels to seek to influence relevant organizations and authorities to remedy any such conflict.	
OG-IB5	The port should avoid being complicit in the activities of another organization that are not consistent with international norms of behaviour.	
OG - Respect for Human Rights (HR)		
Does the port:		
OG-HR1	respect and, where possible, promote the rights set out in the International Bill of Human Rights;	
OG-HR2	respect the universality of these rights, that is, that they are indivisibly applicable in all countries, cultures and situations; in situations where human rights are not protected, take steps to respect human rights and avoid taking advantage of these situations; and	
OG-HR3	in situations where the law or its implementation does not provide for adequate protection of human rights, adhere to the principle of respect for international norms of behaviour	

Annex 11: Setting CSR Priorities

In order to set CSR priorities there are three important concepts to take into consideration:

- 4) Relevance,
- 5) Significance, and
- 6) Sphere of influence.

Relevance:

Many issues concerning social and environmental impacts of the organization can be considered relevant. While the list can be long, it is worth while having a wide view of relevant issues in order to determine which ones really need addressing and which ones are less important (for the time being). In order to develop the list of relevant CSR impact areas, the port should identify the full range of its activities, stakeholders and other organizations that are within its scope of influence. Both normal, daily operations and extraordinary circumstances should be considered (i.e. natural disasters, social upheaval, etc.). In order to test and verify the issues from the point of view of the Port, they should be tested against the views of important stakeholders (for instance in a stakeholder dialogue). In addition, it is unlikely that relevant issues remain static over time. Therefore, a regular review and update of the list should take place.

Significance:

In order to reduce the relevant issues and to set priorities, it is necessary to identify the issues that are indeed significant – that is those that are most important to the port in terms of their contribution to sustainability.

Another way of addressing significance is to use the idea of “materiality” (see the GRI – Global Reporting Initiative). In accountancy materiality refers to topics and information that are necessary to make the right decisions, or where the omission of that information influences the (financial) decisions that are based on it. The same concept is applied to sustainability-related information and can help to decide, which issues are significant.

Table 1: Questions to Determine Materiality of CSR Issues

Subject:	Questions to help determine Materiality:
External Factors:	
- External Stakeholders	What are the most important sustainability issues from the external stakeholders’ perspective?

	What do external stakeholders ask about or which issues do they actively raise?
- Future Challenges	Which future challenges does your business sector face? What are the challenges discussed or reported in the sector and by competitors?
- Law and Regulations	Which relevant laws, rules, international agreements or voluntary agreements are of strategic importance for your organization and your stakeholders?
- Sustainability Risks	Which sustainability-related risks have been raised by robust research and by credible institutions that effect your organization (i.e. climate change, demographic change, poverty, HIV/AIDS, etc.)?
Internal Factors	
- Organizational Values	Which organizational values, policies, strategies, operational management systems, etc. already lay out what is important for your organization?
- Internal Stakeholders	Which interests / expectations do your internal stakeholders have (i.e. management, employees, shareholders / owners / superior agencies, suppliers)?
- Significant Risks	Which significant risks have been identified?
- Core Competencies	What are the organizations' core competencies and how can these contribute to sustainable development?

Sphere of Influence:

ISO 26000 defines the sphere of influence as the “range / extent of political, contractual, economic or other relationships through which an organization ... has the ability to affect the decisions or activities of Individuals or organizations” (ISO 26000, 2011, 2.19). When setting priorities, it is important to focus on issues where the port actually has the ability to influence others. Ideally, an organization has enough influence in the areas where its CSR-related effects are largest and can, therefore, have a real impact if and when it takes action. In general, CSR means that the responsibility to exert influence grows where the ability to influence increases.

In order to put the level of influence and the associated impacts into perspective, the following matrix can be useful.

Matrix 1: Impact / Influence Matrix

	Little Impact	Large Impact
Little Influence	<p>Areas where the Port has little sustainability impact and little influence.</p> <p>NO PRIORITY</p>	<p>Areas where the Port has little influence but the impacts are significant.</p> <p>PRIORITY ONLY IF IMPACTS GENERATE SOME SORT OF ADDED VALUE</p>
Large Influence	<p>Areas where the Port has large influence but can generate only a small impact.</p> <p>PRIORITY ONLY IF INFLUENCE GENERATES SOME SORT OF ADDED VALUE</p>	<p>Areas where the Port has both a large influence and a large impact.</p> <p>PRIORITY AREAS – MAKE THESE AREAS PART OF CSR POLICY AND ACT ON THEM</p>

In addition to the above, the ISO 26000 Guideline also provides advice on high priority areas that are based on the significance they have for sustainable development (ISO 26000 2011, 7.3.4):

- Compliance with the law and international norms of behavior
- Potential violations of human rights
- Practices that could endanger life or health
- Practices that could seriously affect the environment
- Issues where the organization's performance is well below best practice.

Further, the ISO CSR Guideline also gives a high priority to actions based on their effect they have on the organization's level of social responsibility (ISO 26000 2011, 7.4.2), such as actions that:

- Will take a long time to become fully effective

- Are of immediate concern to stakeholders
- May significantly improve the ability of the organization to meet important objectives
- Have significant cost implications if not addressed quickly
- Can be implemented quickly and easily and will, therefore, be useful in increasing awareness of and motivation for action on social responsibility within the organization.

Annex 12: Stakeholder Analysis Tool

This Stakeholder Analysis Tool can be used to identify and categorize stakeholders as well as to define a concrete action plan for dealing with individual basis, particularly as specific situations arise.

This tool is meant to be used with an internal team. Here it is important that participants in the analysis have an objective understanding of “their” stakeholders. It is important not to make too many assumptions regarding stakeholder needs and expectations and to ensure that participants are open to critical stakeholders.

The analysis can be improved and validated through a dialog with stakeholders – that can take place individually or in the framework of a larger meeting with representatives from various stakeholder groups.

Step One : Identify your stakeholders

The first step involves identifying the organizations’ stakeholders, and as a team discussing why they are critical for meeting organizational outcomes or objectives. It is important to focus primarily on an individualized view of the stakeholder group under discussion (i.e. a specific person or persons) and their role, not just a position title. This is because individuals will most likely have different levels of power or importance within the stakeholder group, and will likely have different relationships (or none at all) with various members of your organization. Importantly, people make up networks, not groups.

The result of step one should be an expansive list of your organization’s stakeholders.

Step Two: Prioritize your stakeholders

Step two requires the team to use a matrix (see Figure 1) to prioritize their list of stakeholders. For this, there are two common alternatives – you must choose one to use for your analysis. Either alternative will help prioritize communication and engagement activities with the stakeholder groups most likely to affect your organization’s success.

Alternative 1: Prioritize in terms of how stakeholder groups enable or influence your organization – both positively and negatively.

Enablers are investors or external organizations that have

- influence over allocation of funds
- positional authority
- persuasive power with influence over key decision-makers

Influencers are:

- possessors of critical knowledge resources that can enable the your organization to achieve objectives
- opinion leader(s) in your organization’s community of interest
- provider(s) of important enabling resources
- critical in delivery of innovations or ideas

Matrix 2 : Using Enablers and Level of Influence to Prioritize

Enablers	High	<i>Stakeholders which enable the organization to achieve its goals but have a low level of influence</i> <ul style="list-style-type: none"> - <i>engage where it is useful</i> - <i>include in regular communication</i> 	<i>Stakeholders which enable the organization to achieve its goals and have a high level of influence</i> <ul style="list-style-type: none"> - <i>actively engage where possible</i> - <i>ensure good relations</i> - <i>assure regular communication</i>
	Low	<i>Stakeholders which do little to enable the organization to achieve its goals and have a low level of influence</i> <ul style="list-style-type: none"> - <i>monitor</i> 	<i>Stakeholders which do little to enable the organization to achieve its goals but have a high level of influence</i> <ul style="list-style-type: none"> - <i>assure regular communication</i> - <i>ensure good relations</i>
	Low Influencers High		

Note:

Individuals and stakeholder groups will be variously influential or enabling depending on the context of the organization and what it is trying to achieve. The level of influence or enablement will change over time. Stakeholders will be variously influential or enabling in relationship to each other; and this will also vary over time. Some stakeholder groups will not be easy to 'categorize' in terms of the value they provide to an organization. More important than placing them exactly on the matrix will be the conversation between team members as to why specific stakeholder groups are important to your organization, and the shared understanding that often follows.

Alternative 2:

This grid to organises stakeholders in different matrices according to their level of interest in your organization and its objectives versus their level of power.

- Interest: measures to what degree they are likely to be affected by your organization, and what degree of interest or concern they have in or about it.
- Power: measures the influence they have over your organization and its objectives, and to what degree they can help achieve, or block, what your organization is trying to do.

Stakeholders with high power, and interests aligned with the organization, are the people or groups where it is important to fully engage and bring them on board. If your organization is trying to create policy change, these people are the targets of any (communication) campaign. At the very top of the 'power' list will be the 'decision-makers', usually members of the government. Beneath these are stakeholders whose opinion matters - the 'opinion leaders'.

Stakeholders with high interest but low power need to be kept informed but, if organized, they may form the basis of an interest group or coalition which can lobby for or against your organization. Those with high power but low interest should be kept satisfied and ideally brought around as patrons or supporters.

Matrix 3 : Using Level of Power and Level of Interest to Prioritize

Power	High	<i>Keep Satisfied</i>	<i>Engage closely and influence actively</i>
	Low	<i>Monitor</i>	<i>Keep Informed</i>
		Low	High
		Interest	

Step Three: Understanding and managing your stakeholders

The third step in the analysis involves considering such items as the likely attitudes of the various stakeholders to the organization, their attitude toward the organization or its objectives and any risks associated with their involvement with your organization. It then asks you to consider what changes may be required in how you engage with individual stakeholder groups to minimize any risks and/or to increase their appreciation of, and commitment to, your organization.

Step Four: Setting goals, activities and timelines out of stakeholder analysis

This step is essential for managing stakeholder relationships and requires the team to define concrete actions to take with critical stakeholders. Along with defining what specifically is to be done to manage a stakeholder relationship, it is essential to designate responsibilities for undertaking each communication task and to set appropriate timelines.

Step Five: Evaluation and revision

The final step of the analysis is to be undertaken regularly (bi-annually, annually) to ensure that your organization is always up to date on its stakeholders and their needs and expectations. It is most beneficial when a stakeholder analysis is regularly updated to identify whether there are potential new stakeholders, changes in current stakeholder importance or influence, or if perceptions of the organization or its objectives have changed.

Throughout these steps participants are encouraged to fill in a stakeholder analysis table (Table 1 – next page) and to use this to follow up on agreed actions.

Table 2: Results of Stakeholder Analysis - Action Plan

Nr	Stakeholder	Role	Why are they Important?	Rank	Current Attitude	Desired Attitude	Key Message to Transport	How?	Who?	When?